Daily Report

Latin America

FBIS-LAT-93-046
Thursday
11 March 1993

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Cuba

Perez Novoa Comments on Human Rights Resolution Vote

FL1003224593 Havana Radio Reloj Network in Spanish 2032 GMT 10 Mar 93

[Text] Today, the U.S. Government imposed its opinion, although with a minimal majority, during the 49th session of the Human Rights Commission. The United States obtained a vote favorable to a resolution against Cuba.

The U.S. delegation turned out to be the principal author of the document, entitled "Human Rights Situation in Cuba." It obtained 26 votes in favor of this document, out of a possible 53. Despite the pressure from the United States and the fact that the vote was public, Cuba, Guinea, China, Indonesia, Iran, Kenya, Libya, Sudan, Syria, and Angola voted no; while Brazil, Burundi, Colombia, India, Sri Lanka, Mexico, Peru, Tunisia, Venezuela, Zambia, and another five countries abstained.

Cuba rejects as unjust the inclusion of the Cuban issue in talking about the violation of fundamental freedoms. Nor does Cuba accept—because it considers it arbitrary—the appointing of a special rapporteur chosen under pressure from the United States.

Talking about the draft resolution before the voting, Ambassador Jose Perez Novoa, head of the Cuban delegation, said that the Yankee argument that human rights are violated in Cuba is unfounded and is grotesque and outrageous. Perez Novoa recalled a number of economic sanctions imposed on Cuba by the United States, the financing and sponsoring of the Bay of Pigs mercenaries in 1961, as well as the unjust and illegal trade embargo. Other sanctions mentioned by the head of the Cuban delegation are: the training and support given terrorist groups that operated in the Escambray area; assassination attempts organized by the Central Intelligence Agency against our leaders; and, more recently, the promulgation of the much-repudiated Torricelli Law.

Perez Novoa said: The author of this current draft resolution carried out all these actions without worrying about the suffering of the Cuban people, and now it is pretending to take an interest in the human rights of that people, pretending to defend the Cuban people's human rights.

Perez Novoa stressed: A country that has invaded, plundered, massacred, and exploited other peoples cannot feel the least concern for a people's human rights—a people which, moreover, the United States victimizes through its hostile acts and policies.

In that connection, Perez Novoa described the U.S. Government as one that cares not a whit about the fate of millions of black people, Latinos, and Indians who live on its own territory. Perez Novoa added: Nor does the United States show an interest in the rights of hundreds of thousands of children in the streets of its cities, and it stands by governments that practice the most repudiated of policies, such as Zionism and apartheid.

Perez Novoa added: On the other hand, Cuba—like few countries, perhaps—has an irreproachable record of cooperation as regards human rights, as evidenced by reports from different rapporteurs for assorted topics as well as by other documents.

In his speech at the 49th session of the Human Rights Commission in Geneva, Ambassador Perez Novoa said that Cuba will continue to cooperate and to fulfill the commitments it has made to international organizations and the UN system. He then added that we ourselves choose to offer that cooperation; no one imposes it on us—and he mentioned the means and maneuvers employed by the United States to force the adoption of such arbitrary resolutions.

Perez Novoa added: However, this is not going to make Cuba abandon the hope of seeing impartiality, objectivity, and justice prevail once more; and he termed shameful the positions of countries that a short time ago used to defend just causes and that now sell their souls to the highest bidder. Perez Novoa was referring to the attitude of Bulgaria, the Czech Republic, Poland, Romania, and Russia, which voted with the United States.

Further on Comments

FL1103012893 Havana Radio Rebelde Network in Spanish 0000 GMT 11 Mar 93

[Text] At a news conference in Geneva, Ambassador [Jose] Perez Novoa said the end objective of the campaign against Cuba headed by the United States is to make our country appear reluctant to cooperate with the UN Human Rights Commission. In this connection, Perez Novoa reminded everyone that no country in the world has ever accepted a challenge such as the clean test made by Cuba in cooperating with the commission. In 1988, through a decision of our own government, a delegation was invited to Cuba to see [for itself], on-site, what the human rights situation in Cuba was like.

Commenting on that matter, the Cuban diplomat explained that doing so had generated some 1,000 and some cases, of which almost 80 percent had their basis in the problem of exiting the country. However, Novoa added that something quite singular was reported: Those persons, far from criticizing the Cuban authorities, complained about the slowness of the U.S. Interests Office in granting visas to certain citizens.

Foreign Minister: Not Interested in Reentering OAS

PA1003130793 Havana Radio Havana Cuba in Spanish 0000 GMT 10 Mar 93

[Text] Foreign Minister Ricardo Alarcon has confirmed that Cuba has no interest in reentering the OAS. He said

no one considers regional organization to be important right now. In statements to the Mexican newspaper LA JORNADA, Alarcon said that at present OAS members themselves regard the organization with little interest and give more importance to other mechanisms, such as the Rio Group or the Group of Three. Alarcon said the last major action taken by the OAS was the embargo on Haiti, but this measure has not been respected. The military coupists remain in power, while constitutional President Jean-Bertrand Aristide remains in exile.

Alarcon also claimed that the United States insists on manipulating the United Nations to make it a system in which wealthy nations prevail over underdeveloped ones. He stated the United Nations is not an efficient mechanism for implementing its charter, which advocates the principle of nonintervention in the internal affairs of states, while the members do the opposite.

Three Arrested for Murder of Policeman, Theft

FL1003175893 Havana Radio Rebelde Network in Spanish 1325 GMT 10 Mar 93

[Report by Carlos Sarabia Marrero in Santiago de Cuba Province]

[Text] In the early hours of the morning on 9 March, in Veguita de Galo neighborhood in Santiago de Cuba, First Lieutenant (German Gutel Despaine) lost his life in the line of duty while confronting three criminals who were carrying out an armed robbery in that neighborhood. The support of the members of the Committees for the Defense of the Revolution was essential in the capture of the criminals and for the aid given to the official; particularly, in repudiating the crime and in helping with the investigation, which made it possible to solve the case in less than four hours. During the investigation, it was discovered that the authors of the crime have wretched social conduct and a long criminal record.

Joel Figueroa Tamayo, 22 years of age, unemployed and residing on 17th Street in the Veguita de Galo neighborhood, had been sentenced to 10 [as heard] years in jail for theft with force, theft with violence, physical attack, resistance, and theft. Alexis Blanche Gomez, alias Pillin, 19 years of age, unemployed and residing on 3d Street in Veguita de Galo, spent three years in the Juvenile Center for armed theft, and was sentenced on four occasions for armed theft and theft in 1989, 1990, and 1992. Ariel Danies Araujo, 18 years of age, unemployed and a resident of Corona neighborhood, had been sentenced to two years and 150 days for two thefts, defamation, and physical abuse.

A member of the Department of Technical Research [DTI], the comrade killed had 11 years of service in the Interior Ministry, with outstanding conduct; was a member of the Communist Party of Cuba, and the secretary of the committee of his institution. He was a family man fully dedicated to the revolution, his family, and neighbors. All his neighbors, revolutionaries, and Santiago de Cuba express their deepest condemnation and rejection of these criminals and join relatives in their sorrow by increasing their vigilance and activity in avoiding this type of painful crime, while demanding that the full weight of revolutionary justice be applied to these criminals.

This is an official communique, which the provincial leadership of the Interior Ministry asked us to relay to all the listeners of the Doing Radio program.

Workshop on Prisons Held in Granma Province

FL1003235693 Havana Radio Reloj Network in Spanish 2044 GMT 10 Mar 93

[Text] Approximately 70 percent of the prisoners in Cuba do work for which they are paid, which is an established prerogative in very few countries, said Eliecer Perez, the public prosecutor who is the head of the directorate for control of penitentiaries. Perez said that that aspect plays a very important role in the treatment aimed at reeducating the prisoner. Perez affirmed that while serving his sentence, a prisoner is guaranteed medical care in general, with specialized care provided if need be; an opportunity to improve himself culturally; an opportunity to practice sports; and an opportunity to development any artistic inclinations he might have.

People serving time can also be let out on parole. The progressive regime allows this with a view to guaranteeing the prisoner's successful reintegration into society in the future.

Eliecer Perez was participating in a workshop on prison law held in Bayamo and sponsored by the Granma Province Office of the Public Prosecutor. He described the event as very profound and professional.

Inter-Caribbean Affairs

Caricom Agrees to Form Caribbean 'Union'

FL1003134993 Bonaire Trans World Radio in English 1100 GMT 10 Mar 93

[Text] In an effort to compete in the international market, Caricom heads of government recently agreed to a union of Caribbean states. Jamaican Prime Minister Patterson mentioned the concept recently at a meeting he attended of the Economic Commission of Latin America and the Caribbean, or ECLAC, in Santiago, Chile. [passage indistinct]

Media, Telecommunications Conference Ends

FL1003204193 Bridgetown CANA in English 1855 GMT 10 Mar 93

[Text] Port of Spain, Trinidad, March 10, CANA—Large scale regional media and institutional users of telecommunications in the Caribbean Community (Caricom) are urging Caricom governments to support the

expansion of low cost satellite television systems in the area. A proposal suggesting how this can be done in the interest of accelerated economic and cultural development was one of the key outcomes of Trincom '93 [not further expanded], a two day media and telecommunications conference which ended here Tuesday.

The document, to be dispatched to the Caricom Secretariat in Guyana, urges the 13 member governments to pay particular attention to the regulatory and franchise issues which constrain efforts to build on the low-cost systems already facilitated by the governments of St. Lucia and Barbados. This was a reference to Helen TV, the private satellite uplink facility in St. Lucia and the recent authorisation given by the Barbados Government for similar units to be operated by the Caribbean Broadcasting Union, the CARIBBEAN NEWS AGENCY (CANA), and the state-owned CBC-TV [Caribbean Broadcasting Corporation]. Private uplinks substantially lower telecommunications costs.

Conferees, who included representatives of the University of the West Indies, the Caricom Secretariat, CANA, the International Telecommunications Union, and the Trincom sponsors, Caribbean Communications Network (CCN) set up an expert team on the issues which recommended:

1. The expansion of the network being developed in St. Lucia and Barbados to Jamaica and Trinidad and Tobago in the first instance.

2. The initial rental of a satellite transponder for one year and the involvement of the traditional ground television stations (CBC, JBC [Jamaica Broadcasting Corporation] , TTT [Trinidad and Tobago Television Company], CCN, etc.) as relay stations for the distribution of network programmes to the widest possible Caribbean audience.

3. The development and encouragement of regional television programmes. Trincom '93 noted the significance of the regional broadcast of the West Indies cricket tours of Australia and South Africa, the Nobel prize ceremony honouring Derek Walcott, and the landmark international broadcast of Trinidad and Tobago carnival.

4. The establishment of a co-operative type funding mechanism to facilitate the distribution of material and associated regional advertising.

All of the entrepreneurs in this area, in attempting to provide new services that were not envisaged by the many telecommunication agreements in the region, found that progress was increasingly constrained by existing legal provisions of the various acts and agreements. The conference noted that governments were therefore required to facilitate further progress.

The expert team recognised that the provision of similar services was equally important in areas such as education and government communication and saw that projects like these would continue to face identical obstacles. It also saw the need to expand the media project to include other communication users of the region such as the Bahamas and Belize who are not currently served by existing facilities.

The team reported being fully aware of the need for resource optimisation and the need for minimum cost of these projects which can be obtained through a judicious mix of private sector media and established operations networks. The existing operating norms tend to mitigate against the involvement of the private sector (media) in the transmission network, the team reported.

It also recognised the existence of the Caricom regional satellite television project and the need for initiatives to be parallel to and supportive of the mandate of the Caricom heads. The team felt that it was important to move these activities ahead since they would enhance Caricom's integration thrust.

Hence the team asked caricom governments:

1. Recognise that what is required by these projects transcends the existing operating telecommunications framework as evidenced by the Barbados/St. Lucia initiatives.
2. Encourage the efforts of entrepreneurs (public/private) in the provision of these services at minimum cost.
3. Support representation for the proposal of such projects in the region, as reflective of the interests of members of the Caribbean tele-community.

Antigua and Barbuda

Lawmakers Propose Elections To Remove Prime Minister

FL1003151393 Bridgetown CANA in English 1209 GMT 10 Mar 93

[Text] St. John's, Antigua, March 10, CANA—Parliamentarians from the ruling Antigua Labour Party (ALP) are holding a series of meetings, in a bid to resolve a leadership crisis, insiders say.

One ALP official, who asked not to be identified, told the Caribbean News Agency (CANA) that the group met last week and again on Tuesday. The fight to replace elderly Prime Minister Vere Birdm Sr. As leader of the ALP ended in stalemate last May, with Planning Minister Lester Bird and Information Minister John St. Luce getting the same number of votes. The ALP official said the parliamentary group examined a proposal put [words indistrinct] executive committee, for simultaneous primary elections in each constituency to choose a new leader.

"The executive had passed a resolution that suggested that an expression of the people ... Be used to choose a new leader by holding primaries," he said. The executive had come up with a modification that "will allow the provisions of the constitution of the ALP in choosing a leader to remain intact," he added. The constitution calls

for an annual convention to take place in the year before a general election to elect a new leader. Fifteen voters from each constituency are choosen for this purpose.

"We are still discussing the mechanism. We will be meeting later this week to define the mechanism," the official said. St. Luce told CANA that he would accept whatever decision the party takes, but would be happy if the parliamentarians were allowed to vote on the issue.

Haiti

African Symposiasts: 'Used' by Bazin Government

FL1003181693 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 10 Mar 93

[Text] A group of 10 African intellectuals accuse the Marc Bazin government of having used them for its political propaganda during this recent symposium. The 10 African intellectuals made these statements on the morning of 9 March before flying home, according to an AFP dispatch. The Africans say they were surprised at seeing how the government used its media to carry out a political operation through the manner in which they broadcasted this symposium. The 10 intellectuals made four remarks to the organizers of the symposium.

First, they say that they were invited to participate in the work of the symposium as private individuals, representing neither the governments of their countries, international organizations, nor any groupings to which they may belong.

Second, they say they are very sorry that the symposium organizers were prevented... or at least had many reservations about a theme which is very important and broad, although they [not further identified] insisted on the great importance of that theme.

Third, they say they are sorry that the general report, the resolutions, and other documents resulting from this symposium did not form the basis of any consensus because they were not submitted to the participants. They therefore believe that these documents that had not been submitted to the participants do not commit them to anything, but that instead they commit the responsibility of the organizers.

Fourth, they regret that the organizers did not provide them the opportunity to thank the high authorities of the country after they had given them a great, warm reception.

The Africans say that the theme that had been scheduled for discussion at the symposium has been put aside. It was expected that they would talk about black people, but it was Haiti's situation that predominated at this important meeting. According to the African participants, all the workshops were controlled by high state servants of the government of Prime Minister Marc Bazin (?during) during the entire meeting sessions during this conference. No member of the Marc Bazin government has yet reacted to this statement. A series of conferences on the solidarity of black peoples and their rights were held in Port-au-Prince from 3 to 7 March. The closing ceremony of this symposium took place at the National Palace. Two days after they left Haiti, the 10 African intellectuals expressed their disagreement with the organizers of this symposium.

Rival Senate Blocs Begin Negotiations

FL1003190093 Port-au-Prince Radio Metropole in French 1500 GMT 10 Mar 93

[Text] Talks between the two rival blocs in the Senate of the Republic began on 9 March. At the initiative of the senators of the Alliance [for Parliamentary Cohesion], a group of senators from this alliance met on 9 March to analyze the crisis situation that the institution is facing. Senator Ebrane Cadet, who was leading the Alliance delegation, felt optimistic. According to him, a reconciliation between the two blocs in the Senate is foreseeable.

Students at Training College Condemn Closure

FL1003224893 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 10 Mar 93

[Text] Students at the Teachers' Training School [Ecole Normale Superieure, ENS] have condemned the decision by the director of the university, Professor Gerard Bissainthe, to close this faculty and to dismiss all the professors. During a news conference held on 9 March, the students decided to remain mobilized to prevent this latest measure. Since the beginning of the crisis until Bissainthe's measure to close the ENS, our stand has not changed, according to statements by students who say this measure threatens not only the entire university but also the secondary schools.

The National Union of Students of the Teachers' Training School [Union Nationale des Normaliens d'Haiti, UNOH] has also protested what it calls attacks on the university community. The UNOH, which notes how secondary education has declined, how the number of students are increasing, how qualified and competent professionals are lacking in this sector, and how the ENS plays a strategic role in the training of executives, has denounced the repressive nature of this measure which it considers a crime against intelligence and a blow to people's right to educate themselves, to think, and to freely express their opinions. Like the ENS students, the organization has asked the population including parents, students, and socioprofessional associations to be mobilized to force the officials to review unconditionally this decision.

Senator Calls on Institutions To Apply Resolutions

FL1103004793 Port-au-Prince Radio Metropole in French 1700 GMT 10 Mar 93

[Excerpts] The president of the other branch of the Senate, Senator Firmin Jean-Louis, has delivered a statement to the nation. Mr. Firmin Jean-Louis wanted to call

the nation's attention to the need to apply the different resolutions made under his presidency by the senatorial assembly. He gave reasons for requesting the help of the concerned sectors for the execution of those resolutions, especially the one dismissing the consensus government.

We also point out a letter from the president of the Legislative Assembly of Costa Rica to the office presided over by Sen. Jean-Louis. In this letter of 26 February, Mr. Roberto Tovar Faja said he recognized the efforts made by the Senate presided by Sen. Jean-Louis to benefit democracy and to normalize the country's situation. Sen. Firmin Jean-Louis received this letter from his colleague, Bernard Sansaricq, who had just visited Costa Rica. Ansy-Rose Resignac filed this report.

[Begin recording] [Resignac] Senator Jean-Louis stated on 9 March that he wants the resolutions adopted by the senatorial assembly under him to be executed. In his statement, the president of the office, appointed by the members of the constitutionalist bloc, recalled the various acts taken by this assembly since 28 January, while bringing up several explanations. He said the decision to form a new office to conduct the Senate of the Republic was made to prevent a situation that would spark a social explosion or a civil war.

The National Front for Change and Democracy [FNCD] senator deplored that several international representatives involved in the negotiations seemed to ignore the motion of censor voted against the prime minister, as they continue to consider Marc Bazin as a representative. The Senate, recalls the president of the office led by the opposition, has reached a decision on the unconstitutionality and the illegality of the electoral council and the fraudulent elections on 18 January in order to relieve the obvious frustrations of the large majority of Haitian people.

Sen. Jean-Louis states that the Rubicon has been crossed, while citing the incident which occurred on 2 March in the Senate, after the intervention, at Senator Thomas Eddy Dupiton's request, of a group of policemen in the Senate. While deploring the implication of the Haitian Armed Forces in such an act, Firmin Jean-louis says one needs to understand the offensive by the senators for the Alliance of Parliamentary Cohesion.

[Jean-Louis, in French] One must understand that this aggressiveness by the Alliance for the Parliamentary Cohesion senators, elected in the 16 December 1990 elections and the 20 January 1991, is included in a plan plotted in advance. This plot is attempting first to delay as long as possible the negotiation process that could lead to a solution to the national political crisis. On the other hand, the plot is establishing some repressive structures which are destroying the main democratic assets that marked the period of the political transition from 1986 to the present. This double objective implies first that the parliamentary institution can function with a majority comfortably corruptible. This double objective also implies the establishment of controlled institutions as is the case in the latest measures taken by Mr. Gerard Bissainthe against the education sector. This double objective finally implies the censor of the press and the limitation of the right to expression, association, and meeting which is provided by the Constitution. [passage omitted] [Resignac] Facing this situation, the office led by the FNCD senator, repeats its call to the concerned national institutions to ask them to acknowledge the national sovereignty of the Senate resolutions and to lend their support in their execution. According to the senator, this would help to avoid the obvious risks of a social upheaval. The team led by Firmin Jean-Louis asserts its firm involvement in the search for a negotiated solution to the crisis, a solution which should, according to him, reject the results of the 18 January elections. The president of the Senate led by the opposition is asking for security measures from the Haitian Armed Forces for all the senators without any distinction. [passage omitted] [end recording]

Finance Minister To Submit Budget to Parliament

FL1003224793 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 10 Mar 93

[Excerpt] A communique was published following the 3 March Council of Ministers meeting. It advises that the finance minister presented a report on the government budget bill which has to be submitted to the parliament as soon as possible. After discussions, the Council of Ministers adopted this bill which should be immediately submitted to the parliamentarians.

In the same report, they also talk about the data on the agriculture minister's mission to the Dominican Republic. The agriculture minister conveyed to the Council of Ministers the report on his mission to the Dominican Republic which took place between 11 and 18 February. After he described the itinerary of the delegation he headed, he quickly outlined the results and prospects of his mission. [passage omitted]

Jamaica

PM Seeks Politics of Cooperation, Peaceful Elections

FL1003203893 Bridgetown CANA in English 1938 GMT 10 Mar 93

[By Garfield Myers]

[Text] Kingston, Jamaica, March 10, CANA—Jamaica's Prime Minister P.J. Patterson says the ruling People's National Party (PNP), of which he is president, is committed to ending "confrontationalism" and violence in national politics. Patterson was speaking to thousands of flag-waving PNP supporters who turned out Tuesday night in Mandela Park, Half Way Tree, Kingston, to hear him announce Tuesday, March 30, as the date for general elections.

Noting the emphasis the main opposition Jamaica Labour Party (JLP) was placing thus far in the campaign on a series of "scandals" that has dogged the four-year-old PNP government, Patterson said: "If is scandal they want to talk about, I am ready anytime, anywhere."

But he said he was hopeful that the campaign would be "lifted to a higher plane" with the plans, programmes, and performance of the contending parties being put under the microscope. The PNP had "a lot of performances about which to talk about" and was determined to maintain its "fine tradition of a party always in the vanguard of every progressive change since its formation" in 1938, Patterson said.

Dubbed "the Fresh Prince" by his supporters, Patterson said Jamaicans were weary of the "confrontationalist" style that has typified Jamaican politics in the past and wanted a change.

"The people are saying we are tired of confrontation, we are tired of donmanship. What we want is the politics of cooperation and national consensus," he said.

Political analysts here say that Patterson's quiet, non-confrontational, and consensual style of leadership has contributed significantly to his own personal popularity and what the latest opinion poll has said is 12 percentage point lead for his party over the JLP. His leadership style has often been contrasted with that of opposition JLP leader Edward Seaga who has been accused of being overly combative and too autocratic.

Patterson said his party would do "everything to ensure that the campaign is free of political violence." He added: "Anytime they (the JLP) are ready to sign the code of conduct (for the elections), we will be there."

Anxious to avoid the political violence that has marred Jamaican elections during the last 25 years, both parties are negotiating the updating of a political code of conduct signed in 1989 to govern the behaviour of politicians and their supporters. The code was largely credited for the relative peacefulness of the 1989 elections which the PNP won by a landslide.

An upbeat, confident Patterson joined Seaga in expressing his willingness to participate in national debates prior to the election.

"Some people say they want debate, face to face, I am ready anytime.... All I have to say, let him not boast that put his armour on but him that take it off."

The prime minister said a major objective of a PNP government would be to take Jamaica "out of the clutches and hands of the IMF (International Monetary Fund)." It would not be done by "creative accounting (or) by unjustified claims of economic wizardry (but) by all of us" working together to increase productivity, he said.

On the social side, he said education would "be the number one priority" and "wherever the resources are to come from" the government would find it to increase academic opportunities for the young.

"I have a vision of a future in which every Jamaican of every walk of life will have the opportunities to which their abilities and industry entitle them," said Patterson.

He urged jamaicans of "all ages, gender, social status, class, religion, race, and colour to join with us" in building a "new and united" Jamaica.

Prior to Patterson's speech and interspersed with music ranging from the haunting renditions of reggae classicalist Bob Marley to the dancehall style of Buju Banton, the 60 PNP candidates for the forthcoming elections were introduced to the massive crowd. The slate includes 23 candidates who did not contest the last elections in 1989, 16 of whom are new faces in the general election race. Six of the candidates are women, with the newcomers being Heather Robinson and Karlene Kirlew Robertson, wife of Public Service Minister Senator Dr. Paul Robertson who is also a candidate. The other women are PNP Vice President and Labour Minister Portia Simpson, Violet Nielson, Marjorie Taylor, and Phyllis Mitchell.

The line-up also includes former JLP dissident Karl Samuda who crossed the floor of the House of Representatives last year to join the PNP, retired Army officer Colonel Leslie Lloyd, and social worker Earl Spencer who have previously run on the JLP ticket.

The election takes place a year to the day that Patterson took over as prime minister on the retirement of Michael Manley. The PNP will be entering an election for the first time without a Manley at the helm. The party's founder and national hero, Norman Washington Manley, led the party in every election from the advent of universal adult suffrage in 1944 to his retirement in 1969. His son Michael took over immediately afterwards and has been at the helm for 23 years until his retirement last year.

Official Comments on U.S. Steel Import Restrictions

PA1003161593 Mexico City XHTV Television Network in Spanish 0200 GMT 10 Mar 93

[Text] Pedro Noyola, foreign trade under secretary of the Commerce and Industrial Development Secretariat, has explained Mexico's position regarding the U.S. restrictions on Mexican steel imports. Noyola pointed out Mexico will strongly defend Mexican exports of steel cables in the face of the U.S. tax restrictions. He added Mexico is searching for other markets for this product to reduce the impact of that measure.

[Begin Noyola recording] We will emphasize our strategy of diversification of Mexican steel cable exports. We already have experience in working as a team to this effect, and we will continue to do so to diminish the negative impact of the U.S. restrictions. [end recording]

Under Secretary Noyola assured that Mexico has the necessary elements to demonstrate that the ruling by the U.S. trade commission is inappropriate.

[Begin Noyola recording] The system has been poorly applied and thus becomes a protectionist system. Mexico does not do that. However, we feel the United States has applied it in an incorrect manner. [end recording]

This problem will not affect the negotiations of agreements parallel to the North American Free Trade Agreement, Pedro Noyola advised.

Salinas Calls for Limits on Campaign Donations

PA1003153193 Mexico City XHTV Television Network in Spanish 0200 GMT 10 Mar 93

[Text] Speaking at Los Pinos official residence, President Carlos Salinas de Gortari referred to the strategies used by the Institutional Revolutionary Party [PRI] to collect funds and to the concern expressed by political parties and the public that the donations might be too high. Salinas de Gortari said there should be a limit to the donations. The president added that the PRI's decision to review its financing strategies is appropriate.

[Begin Salinas de Gortari recording] The PRI's decision to obtain financing from society is a wise decision, as the party hopes to represent various sectors of society and not just a special group. [end recording]

President Salinas de Gortari said that on several occasions, and particularly in his fourth state of the nation address, he has pointed out the need to establish clear-cut financing procedures in political parties, to guarantee better access to the media, and—above all—to establish limits on campaign expenses.

[Begin Salinas de Gortari recording] Since I made that announcement, Congress has been receiving proposals for a law to this effect. It is essential that we establish a limit to campaign expenses to prevent unequal electoral competition among the political parties. It will be very important to conduct austere campaigns as the people are demanding. [end recording]

Regarding contributions to the political parties, President Salinas de Gortari reiterated:

[Begin Salinas de Gortari recording] Members of the various political parties and the public in general have justly voiced concern that excessive donations will represent an unadvisable influence. Therefore, there is a need for placing a limit on the donations of individuals or groups for financing political parties. [end recording]

PRI National Leader Explains Party Finance Policy

PA1003153393 Mexico City XHTV Television Network in Spanish 0200 GMT 10 Mar 93

[Text] Genero Borrego Estrada, national leader of the Institutional Revolutionary Party [PRI], announced at a news conference that the PRI will only accept donations from individuals and social organizations. He explained the terms of the party's financing policy.

[Begin Borrego Estrada recording] Under no circumstances will we accept donations from enterprises, corporations, religious organizations, or foreign organizations. [end recording]

He pointed out that as of this moment, the PRI proposes that contributions to the party will not be tax deductible. He added there should be a limit on contributions.

[Begin Borrego Estrada recording] As of this moment, we will establish a limit on contributions by individuals or social organizations. This limit will be no greater than 1 million new pesos. [end recording]

Each individual or organization will only be allowed one contribution on one occasion, Mr. Borrego Estrada emphasized. He added that contributions have never, and will never, influence the party's political practice.

[Begin Borrego Estrada recording] We will not allow any individual or organization that makes any donation to influence our principles. [end recording]

He added that the PRI has never made, and never will make, any commitments with its supporters. Borrego Estrada said the PRI reiterates its political decision that all political parties should be very clear about establishing the origin and fate of the resources they use, in accordance with the law. To conclude, Mr. Borrego Estrada said:

[Begin Borrego Estrada recording] The PRI ratifies its decision to contribute to strengthen the party system, and to encourage clear-cut political activities to express, once again, our unchanging willingness to consolidate electoral democracy in the country. [end recording]

PAN, Democratic Forum Elect New Leaders

PA0803171093 Mexico City Canal 13 Television Network in Spanish 1300 GMT 8 Mar 93

[Text] The weekend of 6-7 March was one of intense activity by the traditional rightist forces. On 6 March, the PAN [National Action Party] elected Carlos Castillo Peraza, a very capable leader from Yucatan State, as its president. He replaces Luis Hector Alvarez. In the third round of voting, after Mr. Rodolfo Elizondo had withdrawn his candidacy, Carlos Castillo Pereza received 107 votes while Alfredo Ling Altamirano received 99 votes.

Meanwhile, on 7 March, former PAN members elected Deputy Pablo Emilio Madero as the first national leader of the recently formed Democratic Forum [Foro Democratico] Party. Its new leader said this party hopes to gain strength this year. Here is a report by Francisco Trejos:

[Begin recording] [Trejos] Deputy Pablo Emilio Madero was elected national president of the recently formed Democratic Forum Party by the organization's consultative council on 7 March. It also elected Jorge Eugenio Ortiz Gallegos secretary general of the party. They will hold these posts for one year. Pablo Emilio Madero said the party hopes to be strengthened by the end of 1993. He did not rule out a possible alliance with other political forces for the 1994 elections.

[Madero] After a dialogue, a union of forces is possible, but we will not only have to seek an agreement of views on candidates but more important, on the programs backed by those candidates.

[Trejos] During the last day of the assembly establishing the new party, the participants approved the political action plans of the Democratic Forum. The document states that democracy is the party's objective and proposes that sustained development is the economic platform based on the promotion of small and medium sized industry, agriculture, and business. The Democratic Forum's national leader stated the party is not subordinate to the Catholic Church and explained that his party respects all religious organizations. It was reported that the party's colors, motto, and symbol will be announced on 12 March. [end recording]

Costa Rica

Reportage on Situation at Nicaraguan Embassy

Occupier Demands Phone Lines Back

PA1003170893 San Jose Radio Reloj in Spanish 1630 GMT 10 Mar 93

[Text] Jose Manuel Urbina Lara, who heads the Nicaraguan commando that on 8 March occupied the Nicaraguan Embassy in Costa Rica, became annoyed on 10 March because the embassy telephone lines were cut off, so he broke off the talks with the mediator, Nicaraguan Cardinal Miguel Obando y Bravo.

Cardinal Obando y Bravo entered the embassy on the morning of 10 March to resume talks that were interrupted last night. He came out two minutes later and reported that Urbina Lara is upset and has threatened to take other actions if telephone communications are not restored. He will not talk to anyone until the lines are restored, Obando y Bravo said. He added that the first measure to be taken by Urbina Lara would be to gag the approximately 24 hostages being held at the diplomatic mission, according to the latest reports.

Minister Refuses To Negotiate at Embassy

PA1003204493 San Jose Radio Reloj in Spanish 1836 GMT 10 Mar 93

[News conference by Nicaraguan Government Minister Alfredo Mendieta with unidentified reporters in San Jose on 10 March—recorded]

[Text] [Mendieta] The situation is tense due to Mr. Urbina's latest statements regarding our proposal for the talks. We offered him alternatives. His Eminence Cardinal Miguel Obando y Bravo has offered Urbina protection to take him to an embassy of his choice. The Costa Rican Government has given him full guarantees so he can go to the embassy he chooses. He has been asked to state his conditions, the embassy of his choice, the way he wants to get there, and the guarantees he requires. Thus, we continue to be willing to talk. Our position has not changed.

However, we want to state clearly that we are increasingly concerned about the security of the captives. We believe the situation is getting more complicated as the hours pass.

[Unidentified reporter] Urbina has already made his demands. He wants to meet with you in the Nicaraguan Embassy. He will not release the hostages if his requirement is not met.

[Mendieta] We have proposed the contrary. The government and the church are offering him full guarantees in that respect. We are willing to talk to Urbina, but we must find a way to solve the situation. We should start by deciding on a place or an alternate embassy where talks can be held. What assurances does the Nicaraguan Government have? How can we go to a place where there are hostages, gasoline, weapons, and a man who has made rude statements about the Nicaraguan Government and who has stated that he rejects the government and its work? His very first statement was that the way was closed and he was going to undertake an armed action. That is what he has been saying.

[Reporter] So, you will definitely not negotiate at the Nicaraguan Embassy?

[Mendieta] Correct. The Nicaraguan Government gave me precise instructions not to negotiate at the embassy.

[Reporter] [Question indistinct]?

[Mendieta] That is our main concern. We believe the hostages should be released, and it is also one of our preconditions. We believe we have been flexible. We have not even taken Urbina's offensive statements into account. We are quite willing to sit down and talk with him. We are most willing to do that. We are fully authorized to find a solution to the situation. I do not want it to be interpreted as you have just stated...

[Reporter, interrupting] [Question indistinct]?

[Mendieta] Not at all. The Nicaraguan Government gave me full authorization to cooperate with the Costa Rican Government and Cardinal Obando y Bravo. Urbina himself asked that the cardinal mediate to solve the matter. Why should the Nicaraguan Government believe what Urbina is telling us if he, who asked for the cardinal to mediate, does not accept him or his assurances now and does not trust the security promised by this government? It is truly difficult for our government to accept such a situation.

[Reporter] How long will this situation continue? It is easy for you to say one thing and Urbina to say another, but you do not sit down to negotiate.

[Mendieta] It is not our problem.

[Reporter] No advances have been made, and Cardinal Obando y Bravo has been coming and going like a messenger.

[Mendieta] Urbina demanded that the cardinal act as mediator. He also asked for government officials to come to Costa Rica and establish communications with him through the cardinal. We have acceded to his requests so far. He, however, has maintained an inflexible position. He says he does not want to harm the hostages but demands that the Nicaraguan Government change its course. We are not willing to negotiate any political concessions.

Fishman Reports on Situation

PA1003220593 San Jose Radio Reloj in Spanish 1900 GMT 10 Mar 93

[Text] Luis Fishman, Costa Rican government and public security minister, has not discounted the possibility of an intervention to rescue the hostages at the Nicaraguan Embassy in San Jose. He has also said that efforts will continue to establish a dialogue with the Yolaina Commando Unit occupying the embassy.

Telephone communications with the embassy have been reestablished. They were suspended because some 30 lines had been connected to the Nicaraguan Embassy central switchboard, and that was interfering with the negotiations.

Minister Fishman has reported that a telephone line has been set up so the leader of the commando group that seized the embassy can communicate with the government's crisis committee. Costa Rican Presidency Minister Rolando Lacle and Minister Fishman are the committee's coordinators.

Fishman said that food supplies and any other necessities will be guaranteed so the hostages' lives are not endangered. Here is what Fishman said:

[Begin recording] [Fishman] [Words indistinct] we have trained people, but we are not considering that possibility. We are accustomed to resolving matters through dialogue and agreements, so we will continue to use that mechanism for as long as necessary. We are going to help the Nicaraguans resolve a Nicaraguan problem. This situation has nothing to do with the Costa Rican Government.

[Reporter] Was there any reason for suspending telephone service to the embassy?

[Fishman] The idea is to have one single communication channel. We cannot have 30 individuals locked up in a place and 10 or 15 telephone lines to reach them. We want to have one single line to expedite a solution.

[Reporter] Has this telephone line been established?

[Fishman] That communication channel has been established.

[Reporter] [Yolaina Commando leader] Urbina Lara has said he is prepared to remain there six months. How does Costa Rica view this?

[Fishman] We are not going to push for an outcome that could result in bloodshed. Our goal is to protect the lives of all the people there. We must understand that this situation could last 15 days, three weeks, or one month. Our top priority is to safeguard the lives of the people who are there. All our actions are directed toward that goal.

[Reporter] Will food and other goods be supplied?

[Fishman] Whatever they need. Yesterday we talked and they complained that the tuna sandwiches were horrible. We are prepared to cooperate. We have sent them blankets from the Public Security Ministry. We also sent them cigarettes. We are prepared to cooperate. We do not want the people there to suffer. We are prepared to help them endure their captivity as easily as possible. That is why we are meeting all their requests.

[Reporter] The commandos who seized the embassy said they want to talk personally with two Nicaraguan officials.

[Fishman] That is what they insist upon. I spoke with Urbina today to try to persuade him to accept a location for a meeting. We and Cardinal Miguel Obando y Bravo have offered him our full guarantees. He insists, however, that the meeting take place in the embassy. [end recording]

Occupiers Defend Embassy Takeover

PA1103000293 Hamburg DPA in Spanish 2027 GMT 10 Mar 93

[Excerpt] San Jose, 10 Mar (DPA)—On 10 March, 48 hours after they first occupied the Nicaraguan Embassy in San Jose, members of the "Yolaina" command asked "the Costa Rican people and government to forgive them" for the trouble caused by their operation.

In a communique aired on Televisora de Costa Rica and Radio Monumental Network, the occupiers said they are still open to negotiations. They expect to hear the Nicaraguan Government's proposals through Cardinal Miguel Obando, who serves as mediator.

The command said the occupation of the embassy was "their only available option to move the world and to make it aware of the present situation in Nicaragua."

The command denied the existence of true political openness for everyone in Nicaragua. The command said such openess exist only "for those who have submitted to accepting the cogovernment, to the stealing of the people's money, and to the assassination of hundreds of former Nicaraguan Resistance combatants and civic and democratic leaders." [Passage omitted]

Ministers Make Two Proposals

PA1103014693 San Jose Radio Reloj in Spanish 0045 GMT 11 Mar 93

[Report by Chile Gutierrez from the Government and Public Security Ministry]

[Text] A meeting of Nicaraguan Government delegates with Cardinal Miguel Obando y Bravo and Costa Rican delegates ended a few minutes ago. An important compromise has been reached.

The Nicaraguan delegates made two proposals to Jose Manuel Urbina Lara, the man who is holding more than 20 people in the Nicaraguan Embassy. The talks were suspended on 10 March and will resume at 0800 on 11 March, when Urbina Lara is expected to reply to the two

proposals. Nicaraguan Deputy Foreign Minister Jose Pallais explained the proposals.

[Begin recording] [Pallais] According to the first proposal, Ministers Mendieta and Fishman would enter the embassy to negotiate. Urbina would immediately release the women and the Costa Rican Civilian Police member. According to the second proposal, Urbina would come out to negotiate with Ministers Mendieta and Fishman in the archbishopric's building. At the same time, the Costa Rican deputy foreign minister and myself would enter the embassy as hostages, staying with the rest of the occupiers. When the talks end, he goes in and we come out. In addition to the guarantee represented by our lives in the embassy, Urbina would be protected by the cardinal and the Costa Rican Government.

[Gutierrez] [Question indistinct]?

[Pallais] He did not accept this proposal. While speaking with Cardinal Obando y Bravo, he insisted on his original proposal. We have shown a great deal of flexibility. We came here to support the Costa Rican Government in trying to find a solution to this problem, but he insisted on his original proposal, which is that we enter the embassy in exchange for nothing, despite the fact that in our two proposals his safety is completely guaranteed.

Minister Mendieta and Minister Fishman spoke to him again. We insisted again, telling him that we were showing great flexibility. He said he would think about the proposal again overnight. We agreed to call him tomorrow at 0800 to talk to him. We hope he accepts our proposals, because they are both very reasonable and flexible. We do not think he could have any objections to them.

[Gutierrez] Mr. Deputy Minister, could we say that you would be exchanged if he accepts the second proposal?

[Pallais] That is correct. We would be exchanged while he negotiates outside. That is more than a guarantee. It would be irrational not to accept that proposal.

[Gutierrez] Deputy Minister Pallais, will you continue the talks tonight here at the Public Security Ministry?

[Pallais] We the Costa Rican and Nicaraguan authorities will continue to cooperate as we have done for the last two days. We will coordinate closely and offer mutual support in a joint effort to solve this situation. [end recording]

Those were the two proposals as explained by Nicaraguan Deputy Foreign Minister Jose Pallais.

The first proposal was that Costa Rican Public Security Minister Fishman and Nicaraguan Government Minister Alfredo Mendieta would enter the embassy in exchange for Urbina, who would immediately release the women and the Costa Rican national.

The second proposal is that Urbina would go to negotiate at the metropolitan archbishopric. In exchange, the Costa Rican and Nicaraguan deputy ministers would remain inside the embassy with the hostages.

Exchange of Hostages, Officials Planned

PA1103140193 San Jose Radio Reloj in Spanish 1209 GMT 11 Mar 93

[Excerpt] [Passage omitted] At 0800 [1400 GMT] we might have a breakthrough, as two of the hostages—Costa Ricans Yamil Alfaro, a municipal employee; and Johnny Fonseca, a civil guard, will reportedly be released.

According to an agreement reached between the Nicaraguan Government and the Yolaina Commando Unit, the two Costa Ricans and the women inside the building will be released. Let us hope this happens. We will try to contact these people, who have been held captive for almost four days. They will certainly have a lot to say and might contribute to resolving this situation.

A major development is expected at 0800. We will remain here with other reporters waiting for developments. To some degree, this will be an exchange, as women and Costa Ricans will be exchanged for high-ranking Nicaraguan officials, who will enter the embassy. I am referring to Government Minister Alfredo Mendieta and Deputy Foreign Minister Jose Pallais. They are reportedly going to enter the building. To some observers, this may be a bold action, as the officials may be held captive once they enter the embassy. Cardinal Miguel Obando y Bravo said on 10 March that he trusted Jose Manuel Urbina Lara, who said he will release the women and the Costa Ricans, as they are legally in Costa Rican territory, if the high-ranking government officials enter the embassy to negotiate. Let us wait for their arrival.

This means the two sides will begin direct talks, instead of through the telephone or mediators. The government and the group dissatisfied with their country's politics will hold talks.

Occupiers Release 2 Hostages

PA1103144993 San Jose Radio Reloj in Spanish 1355 GMT 11 Mar 93

[Report by Berny Vasquez at the Nicaraguan Embassy in San Jose—live]

[Excerpt] [Passage omitted] It has been officially announced that two of the hostages will be freed in a few minutes. It was said one of them will be the civil guard from the fourth precinct. The photographers are getting ready to take photos of Johnny Fonseca of the fourth precinct. The civil guard is coming out with Yamil Alfaro, who is a municipal employee. [passage omitted]

We continue reporting from outside the Nicaraguan Embassy. As agreed upon by the Yolaina Commando Unit, led by Jose Manuel Urbina Lara, and Nicaraguan officials Alfredo Mendieta and Jose Pallais, at exactly

0800 [1400 GMT] two hostages were freed. This gives us reason for optimism. It seems negotiations are beginning to take shape. Although they have not formally begun, it is evident there is mutual willingness to hold negotiations. It is expected the high-ranking officials will enter the Nicaraguan Embassy. The question remains if they will be able to leave the embassy once they enter. We are now waiting for the two Nicaraguan officials to enter the embassy. At this time there is an impasse. We do not know when Alfredo Mendieta and Jose Pallais will enter the embassy. It has been learned this was agreed upon late on 10 March.

Minister Awaits Release of Women

PA1103154593 San Jose Radio Reloj in Spanish 1421 GMT 11 Mar 93

[Report by Shirley Gutierrez from the Public Security Ministry in San Jose—live]

[Text] Nicaraguan Government Minister Alfredo Mendieta entered the Public Security Ministry, and made important statements on the goodwill gesture shown a few minutes ago by kidnapper Jose Manuel Urbina Lara who released two Costa Rican hostages that were held for more than 60 hours in the Nicaraguan Embassy. Let us listen to Mendieta's statements to the media:

[Begin recording] [Mendieta, in progress] ....partially to satisfy the demand we had made on 10 March. We stated our concern for all the hostages. We believe this has been an important step and that now the release of the women is pending. We are willing to enter the Nicaraguan Embassy in order to meet with Mr. Urbina. We hope the women will be released soon.

[Unidentified reporter] Will you now call Mr. Urbina to see if the women will be released?

[Mendieta] That is correct. We are here to talk with the Costa Rican authorities, to establish contact with him, and to inquire about the mechanism that will be used for the release of the women. Then, we will immediately establish with the Costa Rican authorities the procedure for our entry into the Nicaraguan Embassy and begin conversations with Mr. Urbina.

[Reporter][Question indistinct]

[Mendieta] Deputy Foreign Minister Jose Pallais and myself will represent the Nicaraguan Government, and I understand our Costa Rican counterparts will enter the embassy with us.

[Reporter] What will happen if the women are not released, if the kidnappers argue that the Costa Ricans are the only ones they will release?

[Mendieta] Well, we have discussed that aspect of the release. Furthermore, we consider that this is outrageous. Negotiators have never entered a place that has been taken over by force in order to establish negotiations. Nonetheless, we are making a significant contribution to that effect, even risking our own personal security to enter the embassy. However, the minimum condition we have set is the humanitarian and necessary release of the people who have been subjected for nearly 72 hours to this intensely risky situation.

[Reporter] Did Urbina offer any guarantees that you would not also be held as hostages?

[Mendieta] Well, Mr. Urbina has not even accepted the guarantees offered by the cardinal and the Costa Rican authorities for going to the Archbishop's palace. Undoubtedly, this shows he does not trust the authorities, the cardinal, or ourselves. Therefore, this is a matter of reciprocity. I could not trust Mr. Urbina in this case either. Nonetheless, I am saying that I am going to trust Mr. Urbina, if he releases the women. That is my commitment, and I am going to enter the embassy. [end recording]

Guatemala

Quezada Toruno Says Peace Process at 'Key Stage'

PA1103045793 Guatemala City Teleonce Television in Spanish 1800 GMT 10 March 93

[Text] Monsignor Rodolfo Quezada Toruno, president of the National Reconciliation Commission, said in Mexico that the Guatemalan peace process has reached a key stage. Quezada Toruno stated this as a new round of talks between government representatives, the Army, and the Guatemalan National Revolutionary Unity were about to open in Mexico City. According to a CERIGUA dispatch, Quezada Toruno said the government proposal for a 90-day cease-fire will have to be more flexible.

In 1991, the parties agreed on an 11-point general agenda. No agreement has been reached on the first point, which concerns human rights. The CERIGUA dispatch cited Quezada Toruno as stating that he believes the government will agree to the participation of civilian sectors in the negotiating process.

Honduras

Group Distributes Posters Threatening U.S. Ambassador

PA1003191293 San Pedro Sula TIEMPO in Spanish 10 Mar 93 p 3

[Text] U.S. Ambassador Cresencio Arcos was threatened on 9 March in a poster attributed to the Morazanist Patriotic Front [FPM]. The poster, however, could actually come from the military who are unhappy over the diplomat's efforts in favor of justice.

The posters were delivered to a custodian of Radio America at about 0200 on 9 March by a group of persons riding in a pickup truck with no license plates. The color of the vehicle is not known.

One of the men from the vehicle delivered a package containing 25 posters and told the radio station's custodian to give it to journalist Renato Alvarez, the radio station's news coordinator.

One side of the poster shows a hand with the name Arcos on the sleeve handing out money to a journalist, who is stepping on the words honesty, ethics, and moral, and who is dreaming of homes, automobiles, and airplanes.

On the other side of the poster there are several insults against the diplomat such as "meddler," "creator and supporter of the contras," and "murderer of the Nicaraguan people."

The initials FPM appear at the bottom of the document, which accuses Arcos of being the "creator of the death squads in Honduras," and warns that "very soon you will be hearing from us."

Elizabeth Adair, spokesman for the diplomatic mission, briefly said that it is "impossible" to comment on something that is anonymous, we have seen it but we cannot comment on it." [quotation marks as published]

Meanwhile, political groups unofficially commented that the threats against the U.S. ambassador could come from military groups who are opposed to him and who consider him their enemy for promoting his country's policy of reducing Latin American armies.

In addition, these groups seek to exert pressure so he will not comment on the forthcoming ruling by the courts on the murder of high school student Riccy Mabel Martinez. Former Colonel Angel Castillo Maradiaga is reportedly involved in the murder and might be set free by the state prosecutors.

During his stay in the country Arcos showed a special interest in the case, which earned him severe criticism by political and military groups.

Military Deployment Observed in Tegucigalpa

PA1003183793 San Pedro Sula TIEMPO in Spanish 10 Mar 93 p 3

[Text] Tegucigalpa—An unusual military deployment was observed on 9 March in Tegucigalpa near the Nicaraguan Embassy and near a hotel where regional diplomats attending the Eighth Central American Defense Council are staying.

A scheduled news conference by Jose Bernard Pallais, Nicaraguan deputy foreign minister, at the embassy was suspended at the last minute in view of the situation at the Nicaraguan Embassy in Costa Rica where several diplomats are being held hostage.

Six soldiers were seen on 9 March in front of the Nicaraguan Embassy in Tegucigalpa guarding the installations, while a similar number were seen near the Honduran Private Enterprise Council office in Alameda neighborhood.

Soldiers were also observed near a luxurious hotel in Tegucigalpa where regional diplomats and soldiers are staying to attend the Central American Defense Council, as well as near the Toncontin Airport.

This time, however, armored vehicles or antiaircraft artillery were not observed, as were observed on 25 February to fight common criminals, as was said on that occasion.

Nicaragua

National Assembly Condemns Embassy Takeover

PA1103044993 Managua EL NUEVO DIARIO in Spanish 10 Mar 93 p 11A

[Excerpt] In a statement unanimously approved by the 48 Sandinist National Liberation Front deputies and the center wing, the National Assembly condemned the takeover of the Nicaraguan Embassy in Costa Rica and urged the government not to negotiate with terrorists.

The Political Opposition Alliance faction left the Assembly when the debate on the resolution began. This withdrawal was regarded as tacit approval of the barbaric action that three terrorists perpetrated on the lives of more than 20 human beings in the Nicaraguan Embassy in Costa Rica. [passage omitted]

At noon, the Assembly majority approved a resolution condemning the terrorist action perpetrated at the Nicaraguan Embassy in San Jose and declaring that the assailants' demands are an attempt at blackmailing Nicaragua's public institutions and state of law.

In the resolution, the deputies demanded that the embassy occupiers immediately and unconditionally release Ambassador Alfonso Robelo and the embassy personnel to Cardinal Miguel Obando. The resolution also demands respect for the hostages' safety.

The deputies urged the president not to conduct any kind of political negotiations with the terrorists and asked the government of Costa Rican President Rafael Angel Calderon Fournier to protect the hostages' lives.

The document warned the nation of the danger that actions such as this one pose for the peace, national stability, and understanding the country requires. They also pointed out the danger of these methods being used to pressure them into yielding to allegedly political demands. The deputies urged all political parties and coalitions to issue statements against the terrorist action. [passage omitted]

Government Rejects Sandinist Charges of 'Self-Coup'

PA1103015793 Panama City ACAN in Spanish 0106 GMT 11 Mar 93

[Excerpts] Managua, 10 Mar (ACAN-EFE)—The Nicaraguan Government on 10 March rejected charges made

by certain local Sandinist media to the effect that the attack on the Nicaraguan Embassy in San Jose was a "self-coup" promoted or directed by Ambassador Alfonso Robelo Callejas, a former leader of the "contras." [passage omitted]

The Nicaraguan Government responded to these charges in an official communique in which it "rejects the charge of a self-coup that has been made by certain media."

The government expressed its satisfaction with "the manner in which the officials being held hostage have handled a very difficult situation, acting with prudence and maturity." [passage omitted]

Panama

Alleged Subversive Coalition Threatens Government

PA1103141393 Panama City EL PANAMA AMERICA in Spanish 11 Mar 93 p 1

[Report by Eduardo Soto P.]

[Text] On 10 March, a coalition of alleged subversive Panamanian groups released a manifesto to the country in which it issued a "final warning" to the government and threatened to "strike it on all fronts" and to "oust and punish" the current authorities.

The manifesto, which was sent anonymously to this newspaper, warned that "the time has come to strike." Nevertheless, it does not explain what type of actions the alleged rebels will take against the government.

Before reviewing what they see as "the chaotic national situation," the alleged subversives indicated that "an elite commando unit of our organization has carried out an action aimed at giving a final warning to the government and at forewarning the Panamanian people." Nevertheless, they do not explain what this operation involves.

Although no "revolutionary" signs the document, the Torrijist National Liberation Coordinating Board [Coordinadora Torrijista de Liberacion Nacional—CTLN] takes responsibility for the manifesto. The following alleged subversive groups form the CTLN: 20 December Movement (M-20); Torrijist National Resistance Movement [Movimiento Torrijista de Resistencia Nacional—MTRN]; Sovereign Panama Patriotic Front (FPPS); and the Front for the Liberation of Panama (FLP).

"Before seeing the downfall of the nation...we will take all necessary actions to prevent this corrupt and servile government from continuing to scoff at the people's abject poverty by selling our wealth to the highest bidder," the subversive manifesto stated.

Government Claims Kidnapped Missionaries Still Alive

PA1003155193 Panama City EL SIGLO in Spanish 10 Mar 93 p 64

[Article by David Daniel Victoria]

[Text] Juan Chevalier, government and justice minister, stated the three U.S. missionaries, kidnapped 42 days ago in the Darien jungle by alleged Colombian rebels, are still alive.

Chevalier indicated the missionaries have been allowed to communicate with the New Tribes mission headquarters located in Panama, therefore it is known they are alive. This denies reports broadcast last week by a local radio station, quoting religious sources that assured the U.S. nationals had been found dead.

Meanwhile, Chevalier insisted the government will not participate in the negotiations the New Tribes mission are holding with the kidnappers, who have demanded $5 million in ransom to free the missionaries.

The Panamanian and U.S. Governments have declared that they will not enter into any type of negotiations with the kidnappers. In this way, said Chevalier, we are respecting these gentlemen's lives. Chevalier added that the government is not going to meddle or prohibit the negotiations, nor is it going to organize any "Rambo"-type operation to free them, as this could cost many lives.

During the 15-day "Free Border" operation, approximately 200 police, members of the so-called Rapid Deployment Group, unsuccessfully participated in a search for the U.S. missionaries. Nevertheless, during this time four cocaine processing laboratories were discovered, 100 marijuana plantations were destroyed, and 47 illegal aliens were arrested. The government called off the search on 16 February.

This religious mission has been in the Darien since 1950 and at the time of the kidnapping there were between 20 and 30 mission members, in addition to the hostages' wives and children, who were evacuated from the area.

Argentina

Menem: U.S. Ultimate Destination for Missile Parts

PY1003174193 Madrid EFE in Spanish 1524 GMT 10 Mar 93

[Text] Buenos Aires, 10 Mar (EFE)— Argentine President Carlos Menem today told EFE that the Argentine Government knew that the ultimate destination of the Condor-2 missile parts, which were sent to Spain in January, was the United States.

By virtue of an agreement between the National Space Activities Commission (Conae) and Spain's National Airspace Technical Institute (INTA), parts of the missile were sent to Spain to be either destroyed or recycled.

On 29 January, an Argentine merchant ship arrived at the port of Rota, southern Spain, carrying 14 engines, 17 airframes, and other parts of the Condor-2 missile.

In accordance with the above agreement, the recyclable parts of the missile are to be used for peaceful space programs and those intended for military purposes destroyed.

Early in March a Pentagon spokesman revealed to EFE in Washington that the Condor-2 missile parts had been reshipped from Rota to an undisclosed U.S. port.

In reply to an EFE question, President Menem conceded today in Buenos Aires that "it was planned" that the final destination of the missile parts would be the United States.

Menem said that Argentina was thus guaranteeing that it was "terminating this project, which was useless for us anyway."

Menem rhetorically asked: "Whom are we going to fight? Against whom are we going to use this type of missile?"

UCR Deputies Reject U.S. Petition To Destroy Missile Plant

PY1003232493 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2007 GMT 10 Mar 93

[Text] Buenos Aires, 10 Mar (NA)—Radical Civic Union [UCR] deputies have asked the national Executive Branch not to accept an alleged U.S. Government petition to destroy part of the "Falda del Carmen" plant, the "Condor-2" missile's construction site, in Cordoba Province.

The UCR deputies also presented a draft communique supporting the Argentine Government's rejection of remarks made by a U.S. official on alleged noncompliance with requirements necessary for joining the "Missile Technology Control Regime."

In their draft communique the UCR deputies, headed by Victorio Bisciotti, asked the national government to refuse to the United States the destruction of the "solid fuel-blending equipment as well as other components existing in the Falda del Carmen plant."

The UCR draft communique reads: "The Argentine Government must secure recognition of its right—stemming from its position as a sovereign nation—to the possession of a manufacturing plant for solid-fuel components, under international controls and safeguards guaranteeing that these will not be used for military purposes."

As far as joining the Missile Technology Control Regime is concerned, the UCR communique indicates that this possibility represents "a desirable goal that may translate into technological advantages for our country."

Nevertheless, the UCR communique emphasizes that "this entry must be achieved without accepting the precondition of destroying our country's ability to possess components and without requiring limitations that are incompatible with our country's sovereignty and add nothing to matters of international security."

Chinese Foreign Minister Qian Pays Visit 10 Mar

Meets With Menem

PY1003184093 Buenos Aires TELAM in Spanish 1715 GMT 10 Mar 93

[Excerpts] Buenos Aires, 10 Mar (TELAM)—President Carlos Menem this morning met with PRC Foreign Minister Qian Qichen and Martin Holdgate, director general of the World Union for Nature [Union Mundial Para la Naturaleza]. [passage omitted]

Later, at 1100, Menem met with Qian. Also at the meeting were Argentine Foreign Minister Guido di Tella; Arturo Ossorio Arana, director of the Argentine Foreign Ministry Bureau for Asia and Oceania; and PRC Ambassador to Argentina Tang Yonggui.

In a statement, Qian said that he is taking this opportunity "to convey the cordial greetings and best wishes of the Chinese people to the Argentine people."

The statement adds that China and Argentina "are friendly countries that have shared common interests in safeguarding world peace and in seeking economic development" since they established diplomatic relations 21 years ago.

Qian concluded by adding that he is "convinced that, through joint efforts, Sino-Argentine relations and friendly cooperation will be further strengthened."

Signs Accord on Visas

PY1103030093 Buenos Aires TELAM in Spanish 0036 GMT 11 Mar 93

[Text] Buenos Aires, 10 Mar (TELAM)—PRC Foreign Minister Qian Qichen and his Argentine counterpart, Guido di Tella, today signed an agreement exempting

citizens with official and diplomatic passports from needing visas to visit either of the two countries.

The agreement was signed during a ceremony held at San Martin Palace, within the framework of the two-day official visit the high-ranking PRC official is paying to Argentina.

Qian arrived in Buenos Aires 9 March. His tour of Latin America began in Mexico, and includes visits to Brazil, Chile, and Uruguay.

Tomorrow his agenda includes a meeting with President Carlos Menem and a working meeting with Economy Minister Domingo Cavallo.

Qian, who is paying back the visit di Tella made to the PRC in November 1992, has explained that the reason for his visit to Argentina is "to strengthen talks, get to know each other better, develop friendship, and promote cooperation."

* Unemployment Figures for Buenos Aires Analyzed

93SM0150C Buenos Aires CLARIN in Spanish 27 Jan 93 p 17

[Text] More people than before are looking for work in the federal capital and Greater Buenos Aires. Not everyone is successful. Between October 1991 and October 1992 joblessness was up 26 percent there, while underemployment remained flat. Thus, 679,000 people are without jobs or are working few hours. Unemployment rose from 5.2 to 6.7 percent in industry and hit 15.8 percent in construction.

Seventy percent of the Argentines with job problems live in the federal capital and the 19 districts of the Greater Buenos Aires area. Some 679,000 persons represent the visible face of a complex phenomenon that is reflected in the official statistics: unemployment continues to rise even though the administration says that economic stability has been achieved in a major segment of the work force in recent months.

The jobs crisis is most severe among women, retirees, and the young, particularly in industry. This emerges from the figures that the National Institute of Statistics and Census (INDEC) furnished yesterday; they are from the October 1992 survey that it conducted. They show that the current level of unemployment has precedents only during the hyperinflationary peaks of 1989 and 1990.

A comparison of the numbers from the most recent Ongoing Survey of Households (EPH) with the October 1991 figures shows that in the capital and greater metropolitan area unemployment rose from 237,000 to 325,000. The number of underemployed persons (those who work fewer hours than they would like) remained practically unchanged at 354,000.

These numbers translate into the following INDEC percentages: unemployment increased 26 percent from 5.5 percent in 1991 to 6.7 in 1992, while underemployment was flat at 7.3 percent.

The administration clarifies, in addressing this issue, that there was a concurrent expansion of the work force, as people were encouraged to look for jobs as a result of the greater job supply stemming from economic stability. The work force as of October 1992 was estimated at 4.86 million; in other words, 384,230 more people than in 1991 started looking for work.

The Official Diagnosis

As far as the secretary of economic programming, Juan Llach, is concerned, this is because stability, by creating better conditions for securing jobs, has encouraged hesitant job-seekers to go looking with the classified ads under their arm.

A look at the statistics could also prompt us to conclude, however, that more people have started looking for jobs because their living standards have worsened. In that case, what officials see as a positive development is simply an urgent necessity for people.

For example, most of the individuals who started looking for work last year were women, whereas in 1991 men were in the majority. This fact shows, among other things, that when the wages that a man brings home do not suffice, the woman must put aside her household chores for a few hours and seek gainful employment.

Something similar applies when the ages of the people who have started looking for work are compared. The biggest increase occurred among those between 50 and 64 years of age. This group surely includes many grandparents whom the crisis has prompted to seek some sort of odd job to supplement their pensions. Young people and teenagers also account for an increasingly large percentage of the legions of workers who are looking for employment.

Moreover, not everyone who starts looking for a job finds one. For example, the INDEC report reveals that of the 384,230 people who joined the labor market, one-third did not find work. Some 130,000 persons have thus joined the official ranks of the unemployed or underemployed.

The breakdown by sectors shows that the ones hardest hit by higher unemployment are manufacturing, in which the rate rose from 5.2 to 6.7 percent in one year, and construction, in which it jumped from 6.4 to 15.8 percent between October 1991 and October 1992. Workers have apparently been shifting into trade and services.

* New Agriculture Secretary Talks of Future Plans

93SM0139A Buenos Aires CLARIN in Spanish 21 Jan 93 p 19

[Report of interview with new Secretary of Agriculture Felipe Sola by Silvia Naishtat, preceded by report of

views expressed in interviews with officials of the Rural Association and the Agrarian Federation; date of interview with Sola 20 Jan 93, place not given; places and dates of other interviews not given]

[Text] *Despite the fact that he arrives at the Secretariat with strong political support and with the aim of capturing the farm vote, Felipe Sola, who on 1 February will take over as secretary of agriculture, has very little to hand out. Production restructuring plans will be his administration's impelling force. The producers seek much more, but the changeover has generated few expectations in the farmer organizations. Practically speaking, the secretary's team will be the same as that of his predecessor, Marcelo Regunaga.*

They say that the farmers are always complaining. This time the large- and small-scale producers seem to have good reason. Abroad, we see subsidies "galore" and a drop in international prices, while at home we see high domestic costs and loss of market to imported food products. The situation is viewed in the same manner by both the Rural Association, which unequivocally supports the Cavallo plan, and the Agrarian Federation, which has opposed this policy from the start. First, we will examine what one and then the other have told CLARIN.

According to the Rural Association: "With this policy, the farmer will no longer be the ugly duckling of interventionist models. He is on an equal treatment footing with the rest of the sectors." But the high cost of financing and a heavy tax burden have had an adverse effect on the farmer's situation.

Eduardo de Zavalia, the association's president, differentiates between the most punished—the wool dealers and crop farmers—and those who have been able to take advantage of the manna of a larger domestic consumption: the cattle dealers and dairy farmers.

In the Rural Association, whose membership includes the sector's largest producers, Mercosur [Common Market of the South] is seen as the light at the end of the tunnel: "Argentina is called upon to be the major supplier of food products for the region."

[Naishtat] It is already being said that in the long term we will all be dead....

[de Zavalia] There is a part we must play as producers: We must rid ourselves of old administration models, and begin to see ourselves as businessmen.

Those of the Agrarian Federation, comprised mainly of the smaller-scale producers, place emphasis on: The sector owes $3.2 billion to the banks.

The cultivated area for this crop year was 19 million hectares, 500,000 less than last year, and certainly far less than the 22 million in 1990.

In the agricultural sector, costs exceed prices by an average of 39 percent. Structural costs in a plant typical of the pampas region increased from $38.70 per hectare at the beginning of 1990 to $100 in December of 1992; that is to say, a 158 percent increase.

We asked Rene Bonetto, the Federation's number-two official: "Do you see any way out?"

His response: "If the policy continues, no. Even INTA [National Institute of Agricultural-Livestock Technology] has admitted that farming operations in the fertile pampas region find themselves in an adversely affected economic and financial situation. [Report of Interview with Felipe Sola follows]

[Naishtat] What can you give to the farming sector?

[Sola] Fifteen hours of work a day and all of my energy.

This was the conclusion reached by Felipe Sola yesterday after an entire morning and a luncheon together with his economic team. With nothing to hand out, his administration's impelling force will have to be imparted via another route: production restructuring plans. "Those who wish to reorient their production, seeking to transform their activity, will be helped. In some cases, this will mean diversification, and in others intensification. The public sector will orient credit accordingly."

He also has other plans in mind: developing the fishing industry, and raising production and marketing sights in the fruits and vegetables sector. Some view these as beautiful words "lacking the wherewithal, however, to bring them to materialization." Sola's people are banking on putting together a financial package with dollars to be provided by the World Bank and the Inter-American Development Bank.

The agriculture secretary will also have to cope with an international situation that looms cheerless. The GATT is on the verge of breaking up. The mandate granted by the United States Congress to its negotiators expires on 2 March, and there is still no sign of a possible agricultural agreement capable of offsetting the impact of export subsidies.

Sola, whose urge to be in the limelight customarily leads him to stumble into a trap, decided yesterday to keep partially mum. He rushed off to Chapadmalal where he spends his summers, "in the home of my parents, built in 1940." To get in shape, he will play golf, the sport that President Menem has now taken up, in the very exclusive Marayui club.

[Naishtat] You left Agriculture wearing a crown of laurel, thanks to the elimination of retentions on exports in March 1991. Why are you returning now?

[Sola] In the Chamber, I am just another among 157.

His backers point out that he is returning at the request of Eduardo Duhalde and the leadership of the PJ [Justicialist Party]. "The first time, Felipe was secretary of agriculture thanks to the support accorded him by the

farm organizations. This time he has the support of other friends and a very strong political backing."

The associations have felt him out: No farm organization leader shows enthusiasm for the change. "It is all the same. This is not a matter of people. The problem is an economic policy that is wiping us off the map," says Rene Bonetto of the Agrarian Federation.

But Sola's team swears that it will do everything possible to touch the heart of Domingo Cavallo with the needs of the farmers' organizations. "The needs of the farmers have existed but have not found their way to the Ministry of Economy." Yesterday, Felipe provided some road signs: "The agricultural sector needs long-term loans."

Nevertheless, Felipe knows that he will not be able to tip the balance of the scales. With Cavallo, he runs the risk of stumbling and falling if he becomes the agricultural sector's spokesman to the economy-minded cabinet.

From his seat in Agriculture, Sola will control some strings: fishing policy, distribution of the Hilton quota (the cuts that are exported to Europe for double their value), and IASCAV [expansion not given], the institute that monitors plant health. And he has decided to continue with most of his predecessor Marcelo Regunaga's team.

The current president of INTA, Felix Cirio, who returns today from his vacation in Florianopolis, will be Sola's second in command. Fernando Gutierrez will continue in Fishing, Bernardo Cane in SENASA [National Service for Animal Health], and Carlos Lehmajer at the head of the IASCAV. There are two uncertainties. The first is whether Anibal Jozami will continue or not as "intervenor" on the Grains Board. Jozami, former Iron Guard and a Buenos Aires Peronist, has been going out of his way these days to call attention to the effectiveness of his performance as privatizer. Something that Cavallo himself put in doubt this past December.

The other uncertainty concerns Jorge Ingaramo. This was leaked by Sola's team: "He is going to have to win Felipe's confidence." It would seem to be boastfulness inasmuch as Ingaramo is Cavallo's man of confidence in the secretariat. He is also the one who announced that this restructuring plan would result in the disappearance of 200,000 producers.

* Regunaga's Legacy to Agricultural Sector Viewed

93SM0139B Buenos Aires CLARIN in Spanish 23 Jan 93 p 3

[Text] Domingo Cavallo took his time, but finally came up with the answer. Felipe Sola returns to Agriculture, and Marcelo Regunaga goes to Washington to organize a new Argentine Trade Delegation.

In this way, the minister of economy keeps the outgoing minister of agriculture on his team without loss of rank, and brings into his team a person who fulfilled a key function during the Menem government's initial steps.

Divorced from Peronism from its very outset, the agricultural sector found in Sola—as far back as when he was at the head of Buenos Aires Province's Office of Agrarian Affairs—an official determined to resolve the basic paradigm that was shaping the destiny of agriculture. Determined, that is, to end an economic model based on agricultural export retentions and the expansion of industrial imports.

In very recent decades, the financial surpluses generated by the agricultural and livestock sector had been captured by the state and used to develop a closed economic model. The policy was premised on the idea of maintaining the competitive advantages of the Argentine agricultural and livestock sector.

Competitive Advantages

With the fall of international prices, and the growing difficulties being encountered in the markets, much of the gap that had favored the production of the Argentine pampas internationally disappeared. The agricultural and livestock sector ceased generating surpluses, but the retentions continued unabated.

The Cavallo administration finally changed this policy. Retentions were eliminated, and the agricultural sector saw its old dream come true: receipt of the international price for its products.

Marcelo Regunaga continued this new policy and worked to reform and modernize the state. His administration may be remembered for what it dismantled: The Board of Grains and Board of Meats—real bureaucratic monsters resembling agricultural soldiers of fortune—have virtually disappeared from the scene. Their liquidation generated no traumas. In the cereals sector, shipments continued without problems. The ports were privatized, and domestic marketing, having lost the backing of the junta with the elimination of the famous "1825," went right on. All of this as if nothing new had happened.

In meats, where the ancient Federal Law had never been enforced, the secretariat and SENASA [National Service for Animal Health] imposed changes deemed unthinkable until then. The cattle and meat trade began generating returns. Production, to the extent of 90 percent, is under sanitary and fiscal control, refrigeration plants pay the VAT [value-added tax], and so do the producers, although the system's "discriminatory" ways produced and continue to produce unpleasant aftertastes.

Regunaga points out that he carried out the only transformation of the state in the last 40 years. He takes credit not only for what he liquidated by reason of obsolescence, but also for his effort to create a modern, updated agricultural and livestock sector. "With funds obtained abroad, SENASA and INTA [National Institute of Agricultural-Livestock Technology] were modernized, and

the National Institute of Seeds, which finances itself, and IASCAV [expansion not given], designed to improve and monitor the quality of agricultural and livestock production, were created."

Now, Regunaga goes to Washington with the idea of setting up an office to gather intelligence for multilateral negotiations. He will maintain contact with the departmental organizations in the Ministries of Economy and Foreign Affairs with the aim of improving access to markets. The negotiation of the debt completed, the economic team appears headed now toward a more "microeconomic" role, seeking new marketing alternatives. Regunaga's parting comment is: "I am leaving happy in the knowledge that I worked to achieve a strong state."

Difficult Times

Regunaga may have desired to complete his tenure in Agriculture, but he also knows that difficult times loom in the near future. The much-heralded competitive advantages did not materialize, and 1993 will be a defining year. During the crop year just ended, the secretariat administered $53 million, allotted by the Treasury, to palliate the effects of regional economic crises, such as those of Hudson's wool producers and Chaco's cotton growers.

The situation in Tucuman is serious in the—as usual—sugarcane sector. The same is true with respect to the tobacco growers. And the Patagonian sheep-raising industry continues in crisis. The agricultural and livestock sector's indebtedness has risen, and Felipe Sola knows that it will not be easy to obtain funds to refinance the development of the sector.

Sola said that his function will be to restructure the sector, charting the intensification and development of new alternatives.

Sola's invitation to Felix Cirio—the head of INTA—to be his traveling companion, provides a concrete indication of the direction Sola will impart to that course. Cavallo visited Cirio less than a month ago at INTA's head office in Castelar. Cavallo's comments were emphatic on that occasion as to the role of technology and a targeted credit policy.

But the crisis is upon us, and the question in everyone's mind is: Is time running out?

* Editorial Focuses on Poverty, Social Plan

93SM0150B Buenos Aires CLARIN in Spanish 27 Jan 93 p 15

[Text] Until recently, poverty was hardly even mentioned. It existed as a problem, but not as an issue. Now a great many people are talking about it, partly because the administration announced a "social plan" to combat it. The measures encompass education, housing, and health care. Among the latter the most striking was the deregulation of social benefits, which the president did by decree.

Will the plan work? The assistant director of UNICEF, Alberto Minujin, thinks that the most important thing about the plan is that it has put the issue on the administration's political agenda. In the view of Jorge Schvarzer, an economist and researcher with the CISEA [expansion not given], these measures do not assure economic growth, are not conducive to job creation, and will not boost real wages in the medium term. Elaborating on this view, he says that this is not a social plan; it is the arithmetical sum of a series of disjointed measures. He then emphasizes that more and better investment would be needed in education. He is convinced that a country's development runs parallel to the development of its people, and he believes that educational capital is social capital.

But the social role of education is not the key working principle of this plan, according to Daniel Filmus. Filmus is an adviser to the Education Ministry, and he says that the goal is to convey to students the know-how that is valued in the market. This is why two programs are being drafted: "More Education" and "Better Education." The former calls for the construction of 1,000 classrooms for five-year-olds, home learning for adults, and the razing of 700 slum schools. The latter will focus attention on the country's 1,000 most deficient schools. What do people think of the plan? To judge by the polls, the public does not have high expectations. According to the numbers (Heriberto Muraro), four of 10 people think that conditions will improve for the poor, while 54 percent feel that the plan is an attempt to buy votes.

This is exactly what the opposition contends. But the opposition also charges that the plan is an attempt to mitigate the damage that the economic model is causing to the have-nots, adding that this is not an economic plan but rather a reallocation of resources that were already earmarked for social purposes.

Indeed, the economy minister himself acknowledged as much when he said that the plan had been provided for in the budget. The overseer of PAMI [Comprehensive Medical Assistance Plan], Matilde Menendez, also admitted that the measures for retirees were already under way and had just not been publicized. The nation's secretary of social action made similar remarks to CLARIN about the housing plans.

Poverty: Problem or Issue?

It is fashionable to talk about poverty. It is often spoken of as if it were an abstraction. Yet according to ECLA [Economic Commission for Latin America], Argentina is the only country in the region in which poverty has risen steadily over the past 15 years. Moreover, the evidence abounds. We can see some of it just by looking around us. For example, the new phenomenon of the 25,000 people in the federal capital who pick up consumers' garbage on their own. Or the 7.5 people who do not have indoor plumbing in the Greater Buenos Aires area. Or the increasing hardship that broad segments of the middle class are suffering.

But there are numbers too. According to INDEC [National Institute of Statistics and Census], in 1980, 7 million people were poor in our country. By 1988, according to a World Bank study, there were 9 million. And by August 1991, the figure had risen to a little over 11 million.

The trend is quickening. Myrna Alexander, a World Bank official, acknowledged this four months ago when she pointed out that the poor now receive 4 percent of the country's income; 20 years ago, they received 7 percent.

This helps us to understand why, in addition to the long-standing or hard-core poor, who have always existed, there is now another category: the new poor. According to Minujin, they fell into this condition because their income dropped. Why? Because of a shrinking economy (which means that some people are superfluous), because of inequitable distribution, and because of austerity policies. There is both visible and invisible austerity; for example, the sort of austerity that besets children who still eat every day, but less and poorly.

In Schvarzer's view, there are three fundamental causes of poverty in Argentina. One is the decline in real wages, which during the 1990-92 period were the lowest in 15 years, 30 percent below the 1986-88 level. This situation has been made worse by the fall in household income and because the minimum wage of 97 pesos ("a ludicrous amount") has ceased to be a safety net. The second cause, he says, is the fall in all income, which has to do with administration policies. He then asks why the administration says, on the one hand, that if there is more money, retirees will be given an increase, and on the other, that if revenues rise, taxes will be lowered. "Is there going to be more funding for retirees or not? I do not know, because in this case, as in many others, the administration is speaking like a schizophrenic," he concludes.

The third reason for today's poverty is the major one. According to Schvarzer, it is the decline in the supply of jobs. And in this regard the latest official figures are clear-cut. Unemployment increased this past year from 6 to 7 percent, and underemployment from 7.9 to 8.1 percent. This means that in Argentina there are about 1.4 million people who are unemployed and/or underemployed.

Our country does not have an exclusive claim to poverty, however. There are 80 million poor people in Latin America, and this is why the World Bank and the International Monetary Fund are recommending greater social concern. Schvarzer finds it odd, to say the least, that international financial organizations are showing greater interest in the poor than some Latin American presidents are. Perhaps, though, the world is beginning to understand that the defense of life is involved, that poverty is a form of violence and a threat to democracy, and that it can force those who are not poor to live in isolation and fear, while preventing the have-nots from escaping the dictionary description of the poor: unhappy, unfortunate, sad.

"No One Is Starving to Death Here"

Eduardo Mondino, the nation's secretary of social action, has remarked that "the poor are the ones who must make a commitment to do something about their own situation" and that this is "the best social plan that Argentina has had in the past 25 years." This is what he said at the beginning of the interview. Just before saying good-bye, however, he commented more modestly that the best thing about these measures is that they have started a discussion of social problems. CLARIN also wanted to hear the views of Gerardo Conte Grand, the deputy minister of the interior. But after trying for three days, we received no response.

Mondino thinks that the essence of the plan is social advancement, that is to say, using government assistance to promote personal development. As far as health care is concerned, this to him means deregulating social benefits, vaccination drives, mother and child programs, and the outfitting and upgrading of the public hospital.

In housing he emphasizes putting the provinces in charge of managing FONAVI [National Housing Fund] monies. He becomes enthusiastic, however, when he mentions that what will be done as an unavoidable part of this plan has already begun. So was it already figured into the budget? His response was evasive, although he did hint that it had indeed been included in the budget. His explanation is that to the extent that the economic program seeks to balance the budget and boost revenues, it cannot curb other developments, unemployment, for instance. He contends, however, that if unemployment is up, it is not because of a lack of jobs but rather because more people are seeking work: the people who used to live off speculation.

Convinced that there is no reason to tie labor-demand problems to social issues, he asserts that jobs can be provided only when the economy is growing, and when there is development. Therefore, although he realizes that no one can live on 485 pesos (the average wage), he insists that this is all the country can give right now.

In any event Mondino feels that "no one is starving to death here." But when he lists the causes of poverty in the country, he puts the lack of social policies first. The others, he thinks, are: the lack of investment and "the attitude of the poor in not committing themselves to doing something about their situation." He takes comfort, however, in noting that there are not many of these people, and that their numbers have not increased under this administration because, if they had, there would have been social explosions. And there have not been. So? "So, in any case the discussion of a social model is pending," he says in conclusion.

Bolivia

President Claims To Be Object of Murder Plot

PY1003150293 La Paz Radio Fides Network in Spanish 1100 GMT 10 Mar 93

[Excerpt] Sources close to President Jaime Paz Zamora reported yesterday that during the first few months of his administration unidentified individuals tried to murder him. The sources said that a 9-mm bullet was found inside the turbine of his Aerocommander plane. The intention was to have caused an explosion in flight.

The information was then personally confirmed by the president.

[Begin recording] [Paz] The objective was that the turbine would heat the bullet which would explode and damage the turbine while in flight.

[Unidentified reporter] The intention to cause an accident is clear.

[Paz] It is clear. It may be related to terrorist groups operating at that time although there were no terrorist groups operating then, but one never knows. The important thing is [words indistinct]. [end recording]

Despite the facts, no investigation was carried out to find out who placed the bullet in the turbine. [end recording] [passage omitted]

Senate Approves Fiscal, Provisional Tax Reforms

PY1103025793 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 10 Mar 93

[Report by Jorge Vanburg from the Senate]

[Text] The Senate has approved the fiscal reform and the Provisional Tax on Financial Operations, the tax on checks. The reform was approved in the second round of voting at the Senate and also in two round of votes at the Chamber of Deputies. Its inclusion in the Constitution is thus ensured. The approval was celebrated by the government leader at the Senate, Pedro Simon. He said, however, that complementary laws are required for an effective implementation of the new tax.

[Begin Simon recording] The bill was approved by a large majority of votes. Fiscal reform has been instituted and the president of the Republic can immediately send the complementary law bill on it to be debated in the Chamber of Deputies. We must not forget that this complementary law bill will have to be sent to the Chamber of Deputies, where it will be thoroughly and slowly discussed. After it is approved by the Chamber, it will be sent to the Senate, where it will probably receive several amendments and again be sent to the Chamber. This way we have taken an important step toward modifying the Constitution, but there is an article in this modification stating that the tax on checks can only be created through a complementary law. We now depend on this complementary law. [end recording]

Senator Pedro Simon regretted the suspension of a provision establishing measures to interpret federal laws before the Superior Court of Justice. The Senate, however, maintained a constitutionality declaratory action, which can be filed before the Federal Supreme Court by the president of Republic, the attorney general, the counsel general, or the legislative branch, to decide on its possible legal conflict with the Constitution.

Resende Says Inflation To Be Curbed

PY1003102193 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 10 Mar 93

[Text] Today in Rio de Janeiro, Finance Minister Eliseu Resende participated in the ceremony to install Jose Luiz Alqueres, the new Eletrobras [Brazilian Electric Power Company, Inc.] president.

Resende said that inflation will be curbed in the short term and that he has no doubt that the tax on checks [Provisional Tax on Financial Operations—IPMF] will be approved at the Senate. Resende expressed satisfaction over the repercussions to the hearing he endured at the Senate yesterday. He said he is preparing an economic plan without any shock measures, adding that inflation must fall gradually. He said he believes this will happen within a short time.

This afternoon Resende will oversee the approval of the IPMF.

[Begin Resende recording] The tax has positive and negative aspects but it is extremely important to resolve the problems of cash flow within the Treasury to enable us to carry out the great fiscal reform as part of the constitutional reform scheduled for October 1993. [end recording]

* Crusius on Inflation, Interest Rates, Budget

93SM0145A Sao Paulo FOLHA DE SAO PAULO in Portuguese 25 Jan 93 p 1-7

["Excerpts" from interview with Minister of Planning Yeda Crusius by Ediana Balleroni, in Brasilia on 24 January 1993: "High Interest Rates 'Intolerable,' Says Minister"]

[Text] *Porto Alegre—Minister of Planning Yeda Crusius said on arriving in Porto Alegre yesterday afternoon that inflation should begin slowing in March or April and stop at about "15 percent or 10 percent" in the second half of the year. She considers the current rate of about 25 percent "dangerous."*

Yeda mentioned a number of reasons for slower inflation, among them the tax agreement, support for activities that reduce costs in society, and control of government-owned firms. The minister said those actions would lead to a "substantial reduction" in inflation.

"It is the trend that has to be downward," she said, referring to the inflation index. "It does no good if inflation falls one month and then we have to pay for it the following month. The trend from month to month must be downward. The objective conditions exist for that to happen."

The minister said that "housewife" Yeda would also be paying attention to price increases. "Prices today are the big concern. The housewife will be at the minister's side" in monitoring prices.

According to Yeda, speculative increases occur when conditions permit it, an example being the December rise in consumption. "The agreement will come automatically, in a negotiated legal manner." in her opinion, businessmen must not "go too far in their attempt to see how much the consumer will put up with."

Brasilia—Interest rates must come down. The new minister of planning, Yeda Crusius, considers the current level "intolerable." Yeda describes herself as a post-Keynesian, but she uses a philosopher—Hobbes—to describe inflation: "Inflation is a way of breaking the social contract. And that contract is what we are seeking."

The minister reiterated her statement that the state and the administration must "exercise their control" over the economy. Once again the minister said she was opposed to any kind of economic shock—which she calls a "blow."

She does not intend to make substantial changes in the planning team. Below are the most important excerpts from the interview that Yeda granted to reporters in Brasilia yesterday before leaving for Porto Alegre.

[Balleroni] Do you believe inflation will drop?

[Crusius] Inflation is one component among many factors, and this jump in January is the sum of all those factors. What I can say is that those factors are not continuing to accelerate. The 13th month has been paid, the 147 percent has been recovered, and businessmen have realized that consumers are controlling the rise in their consumption.

[Balleroni] Might the administration intervene in the economy so as to control that factor?

[Crusius] The freedom of the market is like the education of a child. The child needs freedom to develop and become a citizen. But it needs to know the limits. And in this case, those limits are set by the administration's coordination efforts.

[Balleroni] What about interest rates? Do you intend to intervene there immediately?

[Crusius] The current level of interest rates is intolerable for a country that needs food. What we know as the "shock"—and what I call the "blow"—has been tried in the absence of alternatives in other periods of Brazil's economy. We are more than immune to such things. The administration will have to take responsibility for conducting any fight against inflation. And the method it tries to use to combat the accelerating inflation rate must be backed by society. That means unions, businessmen, government-owned firms, and the financial market. You cannot decree that "the interest rate will be 20 percent tomorrow." You have to create the conditions in which the financial system will charge a lower interest rate. We will hold a meeting on the 16th to discuss this matter.

[Balleroni] Minister, what about the budget?

[Crusius] The budget is a daily political battle. There are limited funds and unlimited desires. That must be coordinated. In the second place, there is the search for external cooperation in supplementing the budget, examples being projects with the World Bank and so on. I intend to hold the first meeting with my team to discuss this matter as soon as I take office next week.

[Balleroni] What do you think of the way in which the privatization process is being carried out?

[Crusius] Privatization is being handled by the BNDES [National Bank for Economic and Social Development] under the command of President Itamar. There has been a slight delay in rounding out and analyzing the changes in the privatization process. Those changes are altering the course of the privatization process somewhat—and this is necessary. But as is true in the case of inflation, there must be a pledge by the auction winners with respect to what they are going to do with the government-owned firms after they get them.

* IPEA Revises 1992 GDP Projection Downward

93SM0145B Sao Paulo GAZETA MERCANTIL in Portuguese 30 Jan 93 p 3

[Article by Vera Saavedra Durao: "IPEA Revises Projection, Says GDP in 1992, a 'Difficult Year,' Fell by 1.4 Percent"]

[Text] Rio de Janeiro—The Brazilian gross domestic product (GDP) for 1992 is expected to show a drop of 1.4 percent, and the GDP per capita will probably be down by 3.3 percent, according to calculations reported by the Applied Economic-Social Research Institute (IPEA) in its economic bulletin for January.

The publication also reports that the rate of investment in relation to GDP in 1992, which has now been projected through September, will probably be around 14.8 percent, its lowest level at any time during Brazil's entire postwar industrialization period.

Other data from the IPEA show that 1992 was a difficult year, with sales in trade 16 percent below their 1991 level, an unemployment rate averaging 5.82 percent for the year (according to the IBGE [Brazilian Institute for Geography and Statistics]), and accumulated inflation through December of 1,158 percent, compared to 480 percent in 1991.

The IPEA's publication emphasizes that the agricultural GDP turned in a favorable performance: its rate of production rose by 6.1 percent during the year. Another positive element was the trade balance, which totaled $15.6 billion.

The IPEA does not foresee a very encouraging scenario in 1993. Its first GDP projection for the current year predicts a negative rate of 3.4 percent for the 12 months ending in June 1993.

That deepening of the recession is foreseeable, according to the coordinator of the institution's economic analysis group, Claudio Considera, because of unfavorable expectations with regard to inflation.

Claudio points out that the fiasco in 1992 was due to the failure of the tax agreement, which led to a less effective monetary policy and generated a lack of control over inflation.

GDP and Investment Rate* (percentages)

	Observed					Estimated	Forecast	
Sector	Dec 90	Dec 91	Mar 92	Jun 92	Sep 92	Dec 92	Mar 93	Jun 93
Agriculture, stock-raising	-3.7	2.6	4.0	6.5	5.5	6.1	4.1	1.8
Industry	-8.0	-0.8	4.6	-0.5	3.3	-5.0	-8.0	-7.6
Services	-0.7	2.0	3.5	2.0	0.5	-0.2	-1.2	-1.1
Total GDP	-4.3	0.9	4.0	1.6	-0.5	-1.4	-3.3	-3.4
Investment rate* (% of GDP)	15.9	15.3	15.4	15.2	14.8			

* Accumulated rate for four quarters.

Source: Prepared by IPEA/DIPES over the last four quarters.

'Consumption Bubble'

Because of that, the economist warns of the danger of such a scenario repeating itself in 1993, which is already beginning with a "consumption bubble," as he calls the recent economic recovery driven by store sales and inventory replacements.

The editorial in the BOLETIM DO IPEA, with which Claudio agrees, points out that "the effect of that bubble will certainly be a recovery in industrial production during the first few months of the year—a repetition of what happened last year. The difference between now and then, according to data available for January, will be a higher level of inflation," the publication emphasizes.

In Claudio Considera's opinion, that picture will inevitably lead to an increase in industrial production, but one that will soon run out of steam and generate inflation that the IPEA estimates at 30 percent through March. To contain inflation, the economist advocates an "interest shock" in the short term until a stabilization plan giving priority to the fight against inflation is produced.

The economist complains that the only result of the tax agreement attempted so far has been the IPMF [Transitory Tax on Financial Transactions], which is linked to the increase in spending. "The cause of inflation is the imbalance in public accounts," says Claudio Considera. "If there is a lid on spending combined with higher revenues, the situation may improve," he says.

* IBGE Releases December Unemployment Data

93SM0145D Sao Paulo GAZETA MERCANTIL in Portuguese 4 Feb 93 p 6

[Article by Livia Ferrari: "Unemployment Rate in December 1992 Was 4.5 Percent Nationwide"]

[Text] Rio de Janeiro—The average rate of open unemployment for all six metropolitan areas covered by the Brazilian Institute of Geography and Statistics (IBGE) was 4.5 percent last December, or less than in November (5.82 percent) but more than in December 1991 (4.15 percent). Compared to the month of December in various years, the rate in December 1992 was the highest for the period from 1985 to 1992.

There was a general decline in the unemployment rate in December compared to last November, especially in the Northeast: the rate of open unemployment in Salvador fell from 8.9 to 6.24 percent, while in Recife it dropped from 8.77 to 6.61 percent. The decline in Sao Paulo was also significant: from 6.34 to 4.78 percent. In Rio de Janeiro, the rate fell from 4.21 to 3.47 percent, and there was also a drop in Belo Horizonte (from 4.62 to 4.0 percent) and Porto Alegre (from 4.7 to 3.92 percent). Compared to December 1991, only the Sao Paulo metropolitan area showed a drop in the unemployment rate (from 4.98 to 4.78 percent). In the other metropolitan areas, there was an increase, particularly in Recife (from 4.72 percent in December 1991 to 6.61 percent one year later).

Employment (Unemployment Rate by Period and Sector of Activity in December 1992 (percentage)

	Reference period		Sector of activity*				
Month/year	Week	30 days	Manufacturing	Construction	Trade	Services	Other activities
Dec 91	4.15	4.61	5.57	4.94	4.22	3.05	1.80
Nov 92	5.82	6.28	7.18	8.16	6.03	4.47	1.75
Dec 92	4.50	5.01	6.06	5.70	4.34	3.31	3.31

* Excluding individuals who have never worked and those working without pay.

Source: Employment and Unemployment Survey (PED), IBGE.

By sector of activity, and again comparing December with November of last year, the IBGE notes that all the rates declined. The biggest drops in open unemployment were recorded in the construction industry (from 8.16 to 5.7 percent) and in trade (from 6.03 to 4.34 percent). But in comparison with December 1991, the rate was up almost everywhere, especially in the construction industry (from 4.94 to 5.7 percent).

The IBGE's survey points out that by sex, there was a significant 23-percent increase in female unemployment (from 3.79 percent in December 1991 to 4.66 percent in December 1992). The rate of male unemployment showed practically no change.

Between November and December 1992, there was a slight increase in participation by employees with a signed work card (from 49.75 to 50.01 percent) and the self-employed (from 21.19 to 21.51 percent). Participation by the other categories declined: employees without a signed work card (from 23.67 percent to 23.12 percent) and employers (from 4.31 to 4.28 percent). In comparison with December 1991, there was increased participation by all categories except that of employees with a signed work card, which fell from 53.98 to 50.01 percent in December 1992, thus confirming the trend toward a less formal national labor market.

The real average income of employed individuals in November 1992 was up 2 percent over October 1992 and down 6 percent from November 1991. All categories lost real income in comparison with November 1991, but those chiefly affected were employers (12 percent) and the self-employed (8 percent).

Foreign Minister Mentioned as Possible Resende Replacement

PY1003025393 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 9 Mar 93 p 6

[From the "Coluna do Estadao" column]

[Text] Foreign Minister Fernando Henrique Cardoso's name was frequently mentioned yesterday to replace Finance Minister Eliseu Resende in case he is dismissed. Cardoso spent hours in Planalto Palace yesterday.

War College Chief Warns of 'Social Upheaval' Due to Recession

PY1003143593 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 9 Mar 93 Economy Section p 1

[Article by Helio Contreiras]

[Text] Rio de Janeiro—Opening the academic year yesterday, War College Director Admiral Hernani Goulart Fortuna upheld the need for "a revolution within the Brazilian economy," adding that "a lengthy recession could cause a social upheaval." He said that a great change in the Brazilian economy is needed "following the great changes that have taken place internationally."

He criticized the price control policy and said that "one can no longer think about a business-oriented state at a time when the Brazilian economy needs to be more dynamic and the state can no longer undertake the commitments imposed on it during the past decades."

Fortuna said: "Brazil must undergo deep-rooted economic, political, and institutional changes if it is to benefit from the international blocs that have emerged: the European, North American, and Asian blocs." He also emphasized the "decisive role to be played by private enterprise."

The War College director said that Brazil "needs something that was never done before: to define what is essential, desirable, feasible and currently out of reach."

He said that repercussions to this alternative "must not create perplexity nor a Third World attitude but, above all, help to remove prejudices and perfect an understanding of our true reality."

After mentioning the danger of Brazil joining the Fourth World—especially if the current international panorama, which is unfavorable to the Third World countries, remains unchanged and another decade is lost—Admiral Fortuna outlined certain aspects of the Brazilian situation that he labeled "worrisome."

The methods to curb inflation are not yielding the desired results;

The monetary policy has failed to stabilize the economy;

It is hard to control the expansion of money aggregates, even of investments and savings, due to their respective indexations;

A fixed exchange rate is not feasible due to indexations. The persistence of this indexation may also cause a breach between the official and black market rates;

Price control will cause a bureaucratized and centralized administration, thus straying away from a market economy;

There is no consensus over tax reform. The Union as well as the states and municipalities have the power to charge taxes, which forces the nation to coexist with more than 50 different taxes;

The 1990 gross domestic productions are virtually the same as in 1980;

A lengthy economic recession cannot be implemented in Brazil for fear of causing "social conflicts and upheavals."

Military Clubs Presidents Meet With Franco

PY1003124593 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 9 Mar 93 p 5

[Text] President Itamar Franco yesterday at Planalto Palace received Military Club President Nilton Cerqueira, Navy Club President Admiral Victor Boisson, and Aeronautics Club President Octavio Monteiro de Araujo. They gave Itamar a document expressing their concern over the situation of the Armed Forces and requested better operational conditions. The three military officers did not reveal the contents of the study, alleging that the president is the only one entitled to make public the suggestions outlined in the document.

Although the salary issue was not the main subject of the conversation, it was included in the document. The military clubs presidents emphasized the differences in salary levels among the three government branches and complained that the equal salary bill is not being respected. After the meeting they said they found Franco more optimistic than they expected and very concerned about solving national problems.

Army Minister General Zenildo Zoroastro de Lucena, Navy Minister Admiral Ivan da Silveira Serpa, and Aeronautics Minister Brigadier Lelio Viana Lobo knew about the visit of the military clubs presidents to Franco. After the meeting, each president reported on the conversation with the president to his respective minister.

The Military Club confirmed that it will hold a general assembly tomorrow in Rio de Janeiro. A group of reserve officers unsatisfied with the salary situation and technological backwardness of the Armed Forces requested this assembly. General Euclydes Figueiredo, one of the leaders of this group, said that the assembly will be the most political meeting since times of the military regime. He again criticized Franco for his "lack of interest in the situation of the Armed Forces."

One of the points included in the agenda of the assembly is "the exclusion of military men from major national decisions." This includes not only problems of the Armed Forces but issues connected with internal security, like the policy for the Amazon region and the privatization of companies considered of strategic importance to national security.

The request for the assembly follows an alleged "campaign against the Armed Forces." The assembly, which was summoned without the approval of Assembly President Nilton Cerqueira, will probably be tense.

Franco Said To Order Consultant General To Fire Adviser

PY1003121693 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 9 Mar 93 p 6

[From the "Coluna do Estadao" column]

[Text] During a heated conversation on 5 March at Planalto Palace, President Itamar Franco ordered the all-powerful Consultant General Jose de Castro to fire his adviser, Raimundo Nonato Noronha.

Castro answered: "Then both of us will go."

Result: Noronha yesterday worked normally in the consultant general's office.

Franco Said To Decide To Change Style

PY1003031693 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 9 Mar 93 p 5

[Article by Ribamar Oliveira and Antonio Marcello]

[Text] Brasilia—After a week of political crisis sparked by the replacement of Paulo Haddad by Eliseu Resende in the Finance Ministry, President Itamar Franco has decided to change his style and implement a more participatory government. With two cabinet meetings, Itamar has unleashed an operation designed to appease the spirits and restore the balance of forces that prevailed at the beginning of his government. Last night, Itamar presided over a meeting of economic team ministers with congressional bloc leaders and today, at 0830, there will be a meeting of political ministers in the office of Henrique Hargreaves, head of the Civilian Household, to overcome disagreements.

According to his main advisers, Franco wants to show that he intends to resume the form of government that ruled at the beginning of his inauguration; that is, a government that ruled together with Congress. Itamar was harshly criticized these past few days for making decisions without consulting the leaders of the political parties that support his government and the ministers who do not belong to the so-called "Juiz de Fora Republic"—a government palace group accused of exercising a monopolistic influence on the chief of state.

Thus, the meeting Itamar held yesterday with Finance Minister Eliseu Resende, Planning Minister Yeda Crucius, Foreign Minister Fernando Henrique Cardoso, and congressional leaders Pedro Simon and Roberto Freire was long. They discussed the country's economic situation, the names of candidates for the presidencies of the Central Bank, the Bank of Brasil, and the National Bank for Economic and Social Development (BNDES), and the main guidelines of the economic program to be implemented by the government.

Today's meeting in Hargreaves' office was organized at Justice Minister Mauricio Correa's initiative. Concerned by the internal repercussions, even among the safest ministers due to their friendship with Itamar, of reports on the devastating influence the Juiz de Fora group has, Correa suggested having the meeting and Hargreaves made the invitations. The purpose is to define "a guideline for coexistence" between the various political forces within the government. Only the so-called political ministers—those who have a mandate—were invited to the meeting. In addition to Hargreaves and Correa, Ministers Alexandre Costa [interior and regional development], Fernando Henrique Cardoso [foreign affairs], Paulino Cicero mines and energy], Alberto Goldman [transport and communications], Hugo Napoleao [communications], and Jose Eduardo de Andrade Vieira [industry, commerce and tourism] are expected to attend the meeting. Simon and Freira also have been invited.

A close aide for one of the invited ministers said yesterday that "the agenda will be political" and added that "the objective is to establish coexistence guidelines to end the shooting within the government. What will be said is that we are all on the same boat and need to find a formula to avoid a downfall." The same source stated that new guidelines to allow this new coexistence will be established. The source ended by stating: "We must start from scratch again."

Correa wanted today's meeting to remain secret to allow for a broad discussion among ministers of various tendencies and to harmonize the political actions of all ministries. Itamar accepted the suggestion and asked Civilian Household chief Henrique Hargreaves to invite the remaining ministers. The leakage of information irritated some ministers. The meeting, however, was maintained. Correa and Hargreaves hope to convince the remaining ministers that the Juiz de Fora group does not exist and warn them that they must participate in political decisions and exert their influence on the government.

Minister Hargreaves was also prevented yesterday from strongly reacting to the criticism of the ministers whom he informed through the media that Radiobras [Brazilian Radio Broadcasting Company], which is subject to his ministry, would interview them to determine who still had any criticisms to make. Radiobras news director Wilson Fadul denied receiving orders from the minister to send journalists to interview the ministers with the purpose of confirming their criticisms.

Sao Paulo Company Cancels 'Secret' Nuclear Agreement

PY1003192493 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 Mar 93 p 6

[Article by Marcelo Faga]

[Text] Cesp [Sao Paulo Electric Power Plants, Inc.] has canceled an agreement it reached with the Navy Special Projects Coordinating Board (Copesp) that could have led to the construction of up to three small- and mid-size nuclear power plants in Sao Paulo. The agreement, which was signed in July, was secret but became public. Political and scientific circles condemned it and the environment committee of the Legislative Assembly demanded an explanation from those responsible for it.

In his statement to the assembly, Cesp President Antonio Carlos de Paiva Bonini said that the agreement sought to "train" Cesp technicians in the nuclear area. He denied, however, that there were plans to buy the mid-size reactors (100 to 300 MW) that Copesp wants to build based on the small reactor (11 MW) to be used in a Brazilian-made nuclear submarine.

Copesp President Vice Admiral Othon Pinheiro da Silva has agreed to report to the Legislative Assembly on 10 March. In an interview with O ESTADO, he said that the objective of the agreement was to transfer to Cesp the technology that was developed along with the uranium enrichment process, which was performed at Aramar laboratories in Ipero. As an example, he mentioned a robot for measuring vibrations, which Cesp will use in its hydroelectric plants.

He justified the secret nature of the agreement for the protection of "industrial secrets." Scientists and congressmen, however, suspect that Copesp really wanted to obtain potential clients for its projects to produce nuclear minipower plants. This suspicion is based on another agreement signed with Unicamp [Campinas State University] for a feasibility study that concluded that it was possible to install at least nine nuclear minipower plants in the next decade in Brazil, three of them in Sao Paulo (in the metropolitan region, Campinas, and Ribeirao Prieto).

The pressure against the Cesp-Copesp agreement led State Secretary for Energy and Sanitation Jose Boucinhas to ask for its revision. Cesp then decided to cancel the agreement, abstaining from signing the addenda that would have specified the objectives of the agreement.

Scientific Associations Protest Delay of Funds Transfer

PY1003010293 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 4 Mar 93 p 17

[Text] The Brazilian Chemistry Association [Sociedade Brasileira de Quimica] (SBQ) and the Brazilian Biochemistry Association [Sociedade Brasileira de Bioquimica] (SBBq) on 3 March issued a communique to

protest the delay in the funds transfer to the Program in Support of Scientific and Technological Development, PADCT. The government has not even allocated the funds for payment of the custom taxes on the imported equipment. Most of the equipment held at Brazilian customs was purchased with the World Banks's financing.

The PADCT is included in the $300 million agreement signed in the late 1980's between the Brazilian Government and the World Bank. The bank reportedly will allocate $100 million for the purchase of research equipment abroad. The remaining funds would be released by the government to pay customs taxes and purchase local supplies and equipment.

SBQ Director Hans Viertler said: "The delay in the funds transfer by the Brazilian counterpart already has led the World Bank to suspend new financing." The institutions that were about to receive imported equipment before the suspension have accumulated debts. The University of Sao Paulo's Chemistry Institute, IQ, must pay 400 million cruzeiros in customs taxes. Rio de Janeiro Federal Rural University's debts amount to approximately 2 billion cruzeiros.

The IQ group coordinated by professor Paulo Roberto Olivato has been authorized to import equipment worth $235,000. It was held at customs one month and then released after a $70,000 payment.

Sergio Thompson Flores, the financial director for the government's Funding Authority for Studies and Projects (Finep), has stated that the release of funds for the payment of customs expenses owed for the equipment purchased by PADCT is a priority for the institution.

* October Constitutional Reform Themes Previewed

93SM0148A Sao Paulo EXAME in Portuguese 6 Jan 93 pp 36-41

[Article: "A New Chance for Brazil"]

[Text] This year the streetcar is going to come by once again—and this may be Brazil's last opportunity to jump on. The destination sign on the streetcar will read "Constitutional Revision," and the reference is to the reform, almost item by item, of the so long-awaited and so highly praised but in many passages so disastrous 1988 Constitution. From its womb emerged advances such as the chapter on individual freedoms, but also aberrations including a handful of xenophobic provisions and the unforgettable 12-percent ceiling on interest rates. The date has already been set: in October 1993, deputies and senators will meet in a single assembly where, with a vote of one-half their number plus one, they will be able to alter the 1988 text. There is no definite deadline for the completion of their work. "Brazil may straighten up beginning in October or it may fall into limbo," says Deputy Antonio Delfim Netto (PDS [Democratic Social Party], Sao Paulo). In Delfim's opinion, the work must move in the direction of an "intelligent shrinkage" of the state. And of the Constitution as well: according to him, its current 245 articles need to be reduced to 120. What annoys him most in the current text is the chapter on job security, "the supreme triumph of corporatism."

This constitutional revision is extraordinarily important for various reasons. One, and perhaps the most important, is that it will be possible to change anything much more easily than is the case today. Currently, changing anything requires the energy and patience of a marathoner: there must be two votes in the Chamber of Deputies and two in the Senate with a majority of three-fifths. All of which requires an almost unachievable majority of 351 congressmen. With the exception of the so-called rock clauses, which cannot be amended (those concerning the federative form of the state, direct and secret elections, the separation of powers, and individual rights and guarantees), every article in the Constitution will be subject to amendment beginning in October. The understanding among jurists is that revision should be limited to regulating the results of the April plebiscite, which will determine the form (republic or monarchy) and system (parliamentarism or presidentialism) of government.

But that decision is not up to the jurists. Revision will go much further. "This is a political matter, and the trend in Congress is already clearly favorable to broad revision," says Deputy Nelson Jobim (PMDB [Brazilian Democratic Movement Party], Rio Grande do Sul), who is a jurist and one of the strongest candidates for rapporteur of the revision process. It is obvious that an ax will have to be taken to the work done in 1988. The so-called Citizen Constitution has grown moldy at many points merely by force of circumstances. "The Constituent Assembly did its work at a time when the world was still divided between the United States and the Soviet Union," says Deputy Roberto Magalhaes (PFL [Liberal Front Party], Pernambuco). "The fall of the Berlin Wall and the end of the Soviet Union created another reality in which state socialism seems outdated, as does a certain kind of xenophobic nationalism."

The fact is that the general direction chosen for the country by the congressmen will be just as important as the actual effects that any possible changes will have, if not more so. The article setting the interest rate at 12 percent, for example, has had absolutely no effect in practice, and that is what usually happens when people try to legislate against the real nature of things. Four years after its promulgation, Brazil is still the country with the highest real interest rates in the world (around 30 percent per year at the end of 1992). The article in question could very well remain just as it is—a pathetic monument to demagoguery—and life would go on without paying any attention to it. If it is eliminated, however, the revisers will be doing more than freeing the Constitution of a constraining item. In this and in other cases of the same kind, they will be telling the country that they are capable of legislating rationally.

The importance of what is going to occur beginning in October can also be gauged by the intense activity already taking place behind the scenes in the national organizations of both employers and workers. The National Confederation of Industries (CNI) has set up a permanent task force to lobby Congress. Nine CNI employees in Brasilia are responsible not only for keeping track of day-to-day affairs in Congress but also for preparing the theses that industry intends to defend during revision of the Constitution. For 14 months the Sao Paulo State Federation of Industries [FIESP] has been sponsoring discussion groups on topics related to the revision. "This time, unlike what happened in the Constituent Assembly, we are not going to get there too late," says FIESP president Carlos Eduardo Moreira Ferreira. "We are going to anticipate events."

The Inter-Union Department for Congressional Advice [DIAP], which became famous during the days of the Constituent Assembly for the aggressive efficiency with which it lobbied on behalf of the unions, has also been trying to anticipate events. The DIAP is conducting a poll of all the congressmen to identify points of view concerning topics of interest to union leaders. Over half the deputies and senators have already responded to the 65 questions on the questionnaire submitted by the DIAP. Based on those answers, the DIAP will publish a book containing the positions and a photograph of each deputy and senator. Those who do not respond will get a blank page. The DIAP is hoping that in this case the pen will act as a sword.

What became clear in 1988 was that writing a constitution or even just revising one is more or less like a bus ride. Those who get on first get a seat. This has been realized by the multinationals, which received one kick after another in the Constituent Assembly. After the 1988 Constitution was published, they set up a permanent task force that brings together once a month the chief executives of multinationals operating in Brazil. It has already been decided that beginning now, the priority is to produce theses and organize a lobby to take an active part in constitution revision. "This time we are not going to make the mistakes of the past," says Omar Carneiro da Cunha, president of Shell of Brazil and a member of the task force. "Back during the days of the Constituent Assembly, we went into action too late, after the interests opposed to foreign capital had already mobilized."

Omar recalls that one of the orchestrators of those interests was the Sole Workers Center (CUT), which is now back on the job again. The CUT is convening a national meeting of its affiliated unions this January to organize a lobby in connection with the revision. "Mobilization has to begin in January, otherwise we will be swallowed up," says Jair Meneguelli, president of the CUT. The CUT's archenemy Union Force has already adopted its theses and is now organizing its activity. "We are going to have a permanent office in Brasilia, and when the votes are being taken we want to have 2,000 people in Congress to put pressure on the congressmen," says Luiz Antonio de Medeiros, president of Union Force.

Adding all the above efforts to those by bankers, government employees, miners, building contractors, lumbermen, and anyone else you can think of will put us in danger of repeating what happened at the Constituent Assembly. "There is the threat that we will again see every lobby in Brazil marching in Brasilia, with the result that we will wind up with the same results as the Constituent Assembly did," says political scientist Bolivar Lamounier. It is not an encouraging thought. When the Constitution was being written, the Constituent Assembly started from scratch, and a number of subcommittees and committees produced a preliminary text that was put together by the Systematization Committee. By that time, practically every interest group in the country had played a part. "Each one took pains to insert in the Constitution what it considered best for its own corporation, and the result was a crazy quilt," says former Minister Mailson da Nobrega. Jobim disagrees with Lamounier's discouraged predictions. "There is no comparison between the two situations," he says. "There is now a clearly defined starting point. The last time they were starting from absolute zero."

May God grant what Deputy Jobim says, because this is in fact a golden opportunity to do something good—there are so many articles in glaring need of amendment or out-and-out elimination. With the exception of the chapter dealing with the citizen's basic rights and guarantees, which everyone agrees is good in its general outline, the 1988 Constitution incorporated such idiotic and burdensome details as the one stipulating that a husband and wife working for the same firm can take their annual vacations at the same time as well as a host of much more dramatic and harmful economic absurdities in the pure state. In the area of taxes, care was taken to transfer revenues to states and municipalities. But in a piece of stupidity to top all stupidity, the expenses previously bankrolled by the Union were not transferred at the same time. The hand that threw stones was not the hand that caressed. Even worse was the fact that once revenues had been tied to specific expenditures, the federal budget was in shreds for all intents and purposes. The result is that in 1993, once the timetable for revenue transfers is completed, only 3 percent of the federal budget will not be tied to a specific expenditure item or earmarked for revenue sharing with the states and municipalities. "That makes the budget a work of fiction because it is unmanageable as far as cutting spending is concerned," says Mailson. "The 1988 Constitution helped push the economy out of control," says Deputy Roberto Campos (PDS, Rio de Janeiro).

The chapter of muddles in the 1988 Constitution is a long one. So much care was taken to benefit the states and municipalities that the territories of Amapa and Roraima were promoted. Now they are ranked as states, but in another attack on logic, their payroll expenditures continue to be paid by the Union. Brasilia also was given

the right to elect deputies and senators, but public safety in the capital even today is paid for by the National Treasury. Along those same lines, the State of Acre was even able to saddle the Union with the payroll for its state university—which, incidentally, is bigger than the state government's payroll.

In its chapter on taxes, the Constitution is a classic in the way it distributes benefits without providing funds. The poor Union. The guarantee of revenue sharing ended up encouraging the establishment of new municipalities. Before the new Constitution, the country had 4,180 municipalities. By 1991, according to the latest statistics from the IBGE [Brazilian Institute of Geography and Statistics], the number of municipalities was already up to 4,500, and another 500 were on the point of being launched. "It has become a good deal to create municipalities because federal revenue sharing is guaranteed," says Mailson. From the standpoint of the Federal Government, it has been a bad deal. And for the taxpayers it has been extremely bad because they are the ones who are having to pay the bill. The fact is that the increase in transfers of funds to the states and municipalities has left the Union short of money, with the result that it has created new taxes or increased the rates of those already in existence. This is the case with Finsocial [Social Investment Fund], which in the time of the Constituent Assembly took 0.5 percent of the amount billed by the firms. Its rate is now up to 2 percent. The rising tide of tax rates is tied directly to the increased vigor of one of the most harmful monsters on the Brazilian scene: tax evasion.

At the same time, the 1988 Constitution has encouraged a certain degree of carelessness on the part of the Union when it comes to collecting such traditional taxes as the IPI [Tax on Manufactured Products] and the income tax. "Since the revenue from those taxes must be shared with the states and municipalities, the Union has lost interest in them," says Mailson. The government admits that there is something rotten in the tax laws, so much so that it has tried three times to amend the Constitution to increase its own share of the revenue. And it has failed three times. "Its real chance will come during the constitutional revision, when it will be easier to amend the text," says Deputy Francisco Dornelles (PFL, Rio de Janeiro). The businessmen are especially interested in this subject. "It is necessary to take advantage of this chance to carry out a real tax reform that will broaden the tax base and reduce the tax burden on the firms," says Moreira Ferreira of the FIESP.

The revision will give the country an opportunity to wipe the slate clean when it comes to some of the topics that caused the most controversy at the Constituent Assembly. The list is a long one, but it is already known that certain matters will receive more attention than others (see the subhead "What Is at Stake" below). A few examples:

1. Retirement: The 1988 Constitution provided retirement benefits based on time in service. Rotten luck for the Ministry of Social Security, which is unable to meet its commitments. The idea is to establish retirement benefits based on age.

2. Political representation: The states in the South and Southeast intend to increase their blocs in Congress, which are anemic in terms of the number of voters.

3. Taxes: The 1988 Constitution transferred revenue to the states and municipalities but did not transfer responsibility for expenditures. The executive branch now wants to take advantage of the revision to transfer expenses.

4. Social rights: The Constituent Assembly included a string of social benefits in the Constitution. Charges paid by the firms have increased far beyond what is reasonable. The death of some of them is now being discussed.

5. Foreign capital: Having been written before the fall of the Berlin Wall, the 1988 Constitution included a few xenophobic articles worthy of Policarpo Quaresma, the character in Lima Barreto's book who advocated Tupi-Guarani as the Brazilian language. The Constitution banned foreign capital from mining production and the telecommunications area.

The lessons of 1988 are very alive in many people's memories. The CUT, for example, learned that not everything that is written down means something. There is a lot of fiction in the Constitution. "We realized that it is not enough to have a particular right guaranteed by the Constitution, because many things are simply not carried out," says Meneguelli. When pressed, the CUT admits that the dose of workers' rights included in the Constitution went too far. "Actually, the Brazilian Constitution is one of the most detailed in the world," Meneguelli says. "The only thing is that if we had not done our lobbying, we would have been left out of the Constitution." Those same words, with minor variations, could be spoken by everybody and his brother. "Everybody who was interested took pains to get his own little article included in the Constitution on the grounds that it was strategic activity," says Delfim. "God in heaven, there is no such thing as strategic activity." The experience showed the CUT that in most cases, simply including an article in the Constitution may not mean much.

The detail referred to by Meneguelli brought many things—including even an undesired title: "One thing is certain: with this Constitution, Brazil became the world champion in social costs," says economist Jose Pastore, professor at the USP [University of Sao Paulo] and a business consultant. Until 1988, by his accounting, social costs equaled 85 percent of a company's payroll. Even that was too much in comparison with countries such as Japan and South Korea, where such costs do not exceed 14 percent of payroll. "Since the Constituent Assembly, those costs have come to equal 120 percent of payroll, and that is awful," says Pastore. That cost discourages firms from hiring manpower and encourages an increase in the number of workers without a work

card. "The so-called social gains are a fallacy," says businessman Jorge Gerdau Johannpeter, president of the Gerdau Group.

As far as the CUT is concerned, there is already a bargaining chip for negotiations in connection with constitutional revision. "We consider it more important to have a collective bargaining contract," says Meneguelli. If such a contract is agreed on sometime during the year—not necessarily as part of the constitutional revision—the CUT will agree to the removal from the Constitution of a few items that would be better dealt with in a labor contract. One example is payment of the 33-percent bonus for employees' vacations. Another is the guarantee that there will be no layoffs due to automation in the firms—a safeguard which, incidentally, has not safeguarded anything since it saw the light of day. "The problem is that we do not believe the collective contract will be approved in 1993, and we therefore feel that we will have to fight to keep the chapter on social rights just as it is," says Meneguelli.

Some of the unions are afraid of what might happen in the constitutional revision. That is why they are adding their voices to the chorus of those wanting to limit the revision to regulating the results of the plebiscite on the form and system of government. In the PT [Workers Party], Deputy Helio Bicudo is one of the leaders of that wing. In the PDT [Democratic Labor Party], Deputy Vivaldo Barbosa of Rio de Janeiro has already announced that his party intends to block any attempt to expand the range of subjects open to revision. "We are going to go the Federal Supreme Court [STF] with a petition to prevent the discussion of subjects other than regulation of the plebiscite results," says Barbosa.

That is the minority point of view in and out of Congress. Even the presiding judge of the STF, Sydney Sanches, has already stated that he wants a revision of the role of the STF itself. Sanches wants to reduce its jurisdiction. "The Federal Supreme Court should hear only cases that are important to the country, not those of concern to its parts," he says. Currently hanging over the court are cases concerned with rent, industrial accidents, eviction, and breach of contract and leases in connection with real property. As a result, the STF is swimming in a flood of cases. It tried 27,127 cases in 1992 alone, and that is infinitely more than the 300 or 400 cases heard every year by the Supreme Court in the United States.

There exists in Congress the idea of changing not only the duties of the STF but also those of the other higher courts. "Federal courts should try cases related to national issues," says Jobim. "That is how it was before the 1945 Constitution, when local matters were decided by the states." Changing the duties of the courts is one of the topics that will generate the most controversy in the revision. To begin with, if the congressmen accept the idea of a collective contract in exchange for eliminating items in the chapter on social rights, the Labor Court will end up with almost nothing to do. "There are 350,000 labor lawyers in Brazil to oppose any change as far as labor legislation is concerned," says Meneguelli.

The judiciary will be extraordinarily subject to changes. For that very reason, the lawyers are already putting up a huge barrier to substantial amendment of what is written. "The justice system has gained an independence that no other branch has," says Jobim. An example of that independence is the ability of judges of first instance to prevent the collection of federal taxes. A federal judge can issue a preliminary injunction blocking the payment of taxes such as the Finsocial tax or the tax on profits. That much power is certainly going to be examined in the revision. It is very possible that controls on the judiciary will be expanded. "That is a branch of power which does not answer to anybody for what it does," says Jobim. "Society wants to revise that." Like other congressmen, Jobim intends to make the judiciary subject to some kind of external supervision.

As regards the chapter dealing with the judicial branch, it appears that the congressmen will add items to promote substantial changes with respect to what exists now. On economic issues, the trend is just the opposite. "In that area, it will be easier to obtain a majority for removing articles than to get one in favor of rewriting them," says Jobim. One article which may fall by the wayside is the one defining domestic companies. The 1988 Constitution distinguished between a Brazilian company with domestic capital and one with foreign capital. It gave the former priority in the government's purchases. "That distinction is anachronistic," says businessman Hermann Wever, president of Siemens of Brazil. "There is no quarrel with the fact that the government gives domestic firms preference in its purchases," says Wever. "The government can certainly make that distinction, but there is no reason for that kind of discrimination to exist in the Constitution."

Nor is the Left disposed to stand firm in favor of that article. "There is no problem about differentiating between a firm with domestic capital and one with foreign capital," says Jose Genoino (PT, Sao Paulo). "The problem is the article giving firms with domestic capital preference when purchases are being made. "That has created a bureaucracy and a market reserve that makes no sense." If it is up to Genoino, even the article nationalizing the subsoil will be revised. "I am opposed to ideological and autarkic nationalism," says Genoino. "Foreign firms have just as much right as domestic firms to exploit mineral deposits."

Firms with foreign capital would give Genoino a warm and emotional embrace if they could, because there was a time when Genoino was fighting to actually expel them. "Ordinary law can establish controls and priorities," says Antonio Salgado Peres Filho, director of Nestle and coordinator of a group of Brazilian firms with foreign capital with membership in the CNI and FIESP. "It is acceptable for the law to regulate foreign investment, the sectors in which multinationals may operate, and even the conditions for remitting profits abroad.

What is not acceptable is for the Constitution to engage in that kind of discrimination." The idea of reserving the exploitation of ores for domestic firms has proven inappropriate even in the eyes of the unions. The geologists, who fought in the Constituent Assembly to restrict the market to domestic mining companies, are now facing an extremely serious employment crisis. "The profession is becoming extinct," says Mozart Cavalcanti, vice president of the geologists' association in Rio de Janeiro. He still supports a market reserve for domestic mining companies, but admits that those making the effort on behalf of the domestic mining companies wound up shooting themselves in the foot from the standpoint of employment for those in their profession.

Unlike what happened at the Constituent Assembly, it is probable that the chapter on the economic order will generate less controversy in 1993 than it did four years ago. "The reality now is different," says Roberto Freire, a former Brazilian Communist Party candidate for president who is now government leader in the Chamber of Deputies. "The Constitution was written at a time when the Cold War was still going on." In Freire's opinion, the Left must focus its efforts on a reconsideration of the state's role in the economy. "The iron and steel industry was essential to the country's development in the 1940's and 1950's, but today it is clear that the state should no longer be active in that sector," says Freire. "It is much more important for the state to be active in the field of science and technology than in the production of steel."

On questions of that kind, it is probable that the constitutional revision will produce much more consensus than disagreement. But there will certainly be torrid heat in the debates on another subject: the division of powers among the states and their representation in Congress. The 1988 Constitution crystallized a situation giving the states in the South and Southeast representation in Congress that is dwarfish in terms of their population and number of voters. "In principle, all are equal before the Constitution," says Deputy Delfim Netto. "The only problem is that the vote of a Sergipe native living in Roraima is worth 26 times as much as that of a Sergipe native living in Sao Paulo." This happens because the Constitution stipulated a minimum of eight congressmen per state and limited the size of state blocs to 70. Although Sao Paulo has 25 percent of the nation's voters, it has a bloc of 70 congressmen while the State of Roraima, with only 120,000 voters, has a bloc of eight congressmen. "That is going to be the most controversial topic in the constitutional revision," says Jobim. One solution, in his opinion, would be to reduce the minimum number of congressmen per state.

The lead-in to the battles to be waged beginning in October will come in February when the Chamber of Deputies elects its new president. The conservative parties, which formed the "big center" in the Constituent Assembly and have now metamorphosed into the "big bloc," have already given the Left a clear signal. They want to place Deputy Inocencio de Oliveira (PFL, Pernambuco) at the head of the Chamber of Deputies. That will be one of the most important positions during the revision. In the Constituent Assembly of 1988, the forces now supporting Inocencio took action too late. Inocencio's probably successful candidacy carries at least two hidden messages. The first is that this time the conservatives will be in the front line of events rather than trailing behind. The second is that—if their candidate is elected—their ante will be much stronger than it was back in 1988.

What Is at Stake

Here are the main topics that will be examined during the constitutional revision scheduled to begin in October 1993.

1. Social Security

How things are now: Retirement benefits are granted for time in service. They are state funded and linked to the minimum wage. There are special retirement plans requiring less time in service for specific categories of workers.

How things may be: Consideration is being given to the establishment of retirement benefits based on age and of a mixed public and private social security system and to the elimination of special retirement plans.

Who supports what: The executive branch and part of Congress want retirement benefits to be based on age and a limitation to be placed on those benefits. The unions want the current system.

2. Social Rights

How things are now: The Constitution established a vacation bonus, a 44-hour workweek, overtime pay of one and a half times normal pay, and payment of 40 percent of the balance in the FGTS [Severance Pay Fund] in cases of dismissal without just cause. It also guaranteed the right to strike.

How things may be: Matters that ought to be regulated by labor legislation are to be removed from the Constitution.

Who supports what: The firms want to revise the rights granted by the Constitution, and the unions, headed by the CUT, want to keep everything the way it is.

3. Foreign Capital

How things are now: Risk contracts in connection with petroleum exploration are banned, and domestic firms are given preference in the awarding of government construction contracts and the acquisition of supplies for the government.

How things may be: Firms with foreign capital are to enjoy the same rights. Also to be reconsidered is the state monopoly in the areas of petroleum and telecommunications.

Who supports what: The domestic firms, with the construction firms in the forefront, want the text to remain unchanged. Multinationals and foreign investors want an end to discrimination.

4. Taxes

How things are now: The Constitution tied nearly 90 percent of the Union's revenues to mandated expenditures and specific transfers. The states and municipalities were given more money but were not made responsible for expenditures previously paid by the Union.

How things may be: State and municipal responsibilities and their share of Union funds will be redefined, but they may wind up with less than they have now.

Who supports what: The Union wants to reduce revenue transfers, but its bureaucracy intends to maintain control over the amounts transferred. The states and municipalities want more money.

5. Political Representation

How things are now: It was provided that the number of federal deputies per state would range from a minimum of eight to a maximum of 70. The result is that the blocs from the Northeast, North, and Center-West are the majority in Congress even though they represent fewer voters than the blocs from the South and Southeast.

How things may be: The most likely outcome will be a reduction in the minimum number of deputies and an increase in the maximum number of deputies per state.

Who supports what: The states in the South and Southeast, which are the minority, want to increase their representation. The other regions, which form the majority in Congress, oppose that idea. 6. Judicial Branch

How things are now: Judges of first and second instance can issue preliminary injunctions on any issue. The judicial branch is not subject to any external supervision.

How things may be: There are various proposals for limiting the power of judges of first instance and establishing some kind of external supervision of the judiciary branch.

Who supports what: The executive branch and part of the legislative branch want to revise the Constitution. Judges and lawyers, with the OAB [Brazilian Attorneys Association] in the forefront, are opposed to any change. They want to limit constitutional revision to regulations implementing the results of the April plebiscite.

Cardinals of Constitutional Revision

Deputy Roberto Magalhaes (PFL, Pernambuco) wants to place a seven-month limit on the work of constitutional revision. A bill authored by him also provides for the establishment of a committee to select the topics to be voted on.

Deputy Roberto Campos (PDS, Rio de Janeiro) preached in the wilderness during the time of the Constituent Assembly. His liberal ideas were defeated in 1988, but the fall of the Berlin Wall showed that much of what Campos was saying was true.

Jair Meneguelli, president of the CUT, has it as his priority to establish a collective bargaining agreement. If he succeeds, he will consider it reasonable to let that agreement define the rights now included in the Constitution.

Deputy Jose Genoino (PT, Sao Paulo) wants to remove some of the articles dealing with social rights from the text of the Constitution. "There are many things in that chapter which ought to be decided by ordinary legislation," he says.

Deputy Nelson Jobim (PMDB, Rio Grande do Sul) is a candidate for rapporteur of the revision process. He advocates shrinking the text of the 1988 Constitution. "A right is not respected just because it is included in the Constitution," he says.

Carlos Eduardo Moreira Ferreira, president of the FIESP, plans to influence the revision more strongly than was the case at the Constituent Assembly. "This time we will not leave the organization of our lobby until the last minute," he says.

Deputy Francisco Dornelles (PFL, Rio de Janeiro) will probably be one of the most influential congressmen in the debate on the tax system. "In the revision, we will have the opportunity to carry out the tax reform this country needs," he says.

Luiz Antonio de Medeiros, the president of Union Force, is already organizing his lobby in preparation for the constitutional revision. And he warns: "We are going to put 2,000 people in the galleries to monitor the voting."

What Did Not Work

Here are the main provisions in the Constitution which, when implemented, caused harm to society.

1. Civil Service

Job security for government employees prevents the public sector from trimming its work force to match its revenues. The result has been a squeeze on government pay.

2. Minimum Wage

The nationwide unified minimum wage and its link with social security are preventing the minimum wage from rising in the states of the South and Southeast.

3. Mining

By Brazilianizing mining funds, the 1988 Constitution drove foreign firms out of that sector. The result has been the loss of investments and of jobs.

4. Provisional Measure

The provisional measure, which was created for use in times of emergency, has become a tool enabling the executive branch to legislate at will and ignore Congress.

5. Foreign Capital

The Constitution granted privileges to firms with domestic capital. As a result, it discouraged the foreign investment which the country needs to start growing again.

6. Equal Treatment

The idea of equal treatment applies only to pay increases for government employees, not pay reductions. The disparities and abuses still exist in the executive, legislative, and judicial branches.

What Did Not Catch On

Provisions in the Constitution that were never implemented because no regulations were issued:

1. Interest Rate of 12 Percent

An economic aberration, this limitation turned out to be a lie. The real interest rate this year [1992] has exceeded 30 percent per year.

2. Paternity Leave

Although provisionally set at five days, leave time has come to be freely interpreted depending on the firm, the sector of activity, and the region of the country.

3. Special Judges

They were supposed to try cases midway between those heard by the ordinary court system and those dealt with by small-claims courts. So far they do not exist.

4. Assistance for the Poor

The poor population is theoretically entitled to free birth certificates and free death certificates. This provision is interpreted as the bureaucracy sees fit.

5. Tax on Large Fortunes

This may actually be created during the constitutional revision or it may wind up among the articles that are already stillborn.

6. Autonomous Central Bank

The Central Bank continues to be an appendage of the government in its implementation of monetary policy. This will be one of the main topics of debate in the constitutional revision.

French Communique Denies Credit Lines Freeze

PY1003122093 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 9 Mar 93 Economy Section p 3

[All quotation marks as published]

[Text] "The French Embassy categorically denies comments published on 6 March in a Sao Paulo newspaper, which has a large readership, that stated that "France has frozen Brazilian credits."

Pursuant to a request by the French economy minister, the French Embassy states:

French authorities deem it a very important and significant principle to continue to grant new financial aid to those who scrupulously pay their debts. Following this principle, France, which headed the group of creditor countries that favored Brazil's reintegration into the international financial community, is opening credit lines for the public sector on a case-by-case basis.

French authorities note that Brazil has honored all its financial commitments with the Paris Club since signing the bilateral consolidation agreement in July 1992 and that both the president of the Republic and the new finance minister have repeatedly confirmed the Brazilian Government's resolve to punctually honor its commitments in the future.

In short, French authorities intend to continue to observe the same principles that have governed its relations with Brazil and have never considered a change.
[signed] French Embassy."

* Japanese Show Signs of Growing Trade Interest

93SM0145C Sao Paulo GAZETA MERCANTIL in Portuguese 30 Jan 93 p 5

[Article by Roberto Baraldi: "Japanese Interested in Trade Opportunities in Brazilian Market"]

[Text] Tokyo—Following the normalization of bilateral relations between Brazil and Japan as a result of the Federal Senate's approval of the debt agreement with government institutions and the presentation in Tokyo of the bases for an agreement with private banks, signs of growing Japanese interest in canvassing for business with Brazil are appearing.

On Friday, over 15 Japanese businessmen and executives met at the offices of Keidanren, the powerful Japanese Federation of Economic Organizations, to hear a talk by Rio Grande do Sul's secretary of economic and social development, Claudio Ryff Moreira, on investment opportunities in his state.

During the meeting, Isao Kanamoto, executive vice president of the Aoki Corporation, which owns the Caesar Park hotel chain and is active in the Brazilian construction industry through Aoki Morumbi, asked several questions about the potentialities of the tourist

industry in Rio Grande do Sul and the possibilities for partnerships in the construction industry. His group is going to send a representative to Porto Alegre to evaluate the market possibilities at length.

Hideo Kobayashi, president of the Nippon Usiminas Company, and Isao Tanigushi, general manager of international planning for Nissho Iwai, wanted information about the Brazilian privatization process and the management model adopted by firms that have already been privatized.

And Keiichi Kojima, division chief of development for the Itochu Corporation, Japan's largest trading company—it did business worth 20 trillion yen ($160 billion) in 1991—focused his interest on Brazil's membership in Mercosur [Common Market of the South] and the way in which the member countries are organizing their productive plant for the purpose of avoiding overlapping production and seeking to complement each other's potentialities.

Toshihiko Fujiwara, the Kanematsu Corporation's manager for the Americas, who coordinated the meeting on Keidanren's behalf, said that in upcoming editions, the organization's publications would give prominence to the possibilities for doing business with Brazil and Rio Grande do Sul.

The demonstrations of interest on the part of private enterprise are similar to those by such government organizations as the Ministry of Industry and Commerce (MITI). "The doors are beginning to open to Brazil," said MITI's director for Latin America, Bunro Shiozawa. He noted that the normalization of bilateral relations as a result of overcoming the impasse with the foreign debt makes it possible to intensify trade with Brazil by eliminating the obstacle to the granting of government financing and insurance for Japanese exports. Shiozawa warned, however, that Japanese direct investments in Brazil must not be expected as long as the economy is not stabilized.

The Japanese International Cooperation Agency (JICA) is prepared to implement new projects in Brazil by contributing technology and equipment. Yukui Ootsu, administrative director of JICA's Department of Mining and Industrial Development, said that his institution was developing an environmental project for Cubatao, Sao Paulo, had approved a project for building a hydroelectric plant in Santa Catarina, and was studying ways to cooperate in the reclamation of Guanabara Bay. Ootsu said JICA was open to new undertakings, but he emphasized that the institution would only involve itself in a project after having an economic feasibility study conducted by its own technical staff.

Colombia

Gaviria Rules Out Church Mediation in Escobar Case

PA1103035093 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 11 Mar 93

[Report by Raul Gutierrez]

[Text] The President decided on 11 March that the good offices of Monsignor Dario Castrillon cannot be used for mediation purposes by Pablo Escobar or any other criminal.

[Begin Gaviria recording] Criminals who want to surrender to justice must deal with the prosecutor general. I also must say that I cannot imagine Escobar or any other criminal making any other type of surrender than an unconditional one. [end recording]

The president is determined that mediation is a matter for the prosecutor general alone. Here is how President Gaviria responded when somebody asked him about a proposal by former President Misael Pastrana for a new kind of negotiation with the guerrillas:

[Begin Gaviria recording] We have not closed the door to political solutions, but we do not want to hold peace talks in the midst of bombs, attacks, and violence and without any kind of commitment toward peace. [end recording]

It has been made evident that the surrender of fugitive Pablo Escobar will not be a matter handled by the Holy Trinity—the church, the government, and the Prosecutor General's Office, figuratively speaking—but by the Prosecutor General's Office only and unconditionally.

Three Revolutionary Armed Forces Leaders Captured

PA1003214193 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 10 Mar 93

[Text] Thanks to community reports, three Revolutionary Armed Forces of Colombia guerrilla leaders were captured on 10 March in Medellin. Diego Alberto Gomez Cardona, commander of the Bolivarian Militias' urban network, was among those captured.

Another important guerrilla chief was caught in Cartagena. He is Reinaldo Avila Manjarres, alias Chimila, commander of the Army of National Liberation's Jaime Bateman Front, which operates on the Atlantic Coast. He is accused of kidnapping, extortion, and homicide.

AD/M-19 Leader Says National Situation 'Sad'

PA1003221393 Santa Fe de Bogota EL NUEVO SIGLO in Spanish 8 Mar 93 p7A

[Report by Fernando Arellano Ortiz]

[Text] The 19 April Movement Democratic Alliance [AD/M-19) does not lack a program. Its philosophy has not changed; it continues to be a multidimensional movement "where different viewpoints are accepted," according to Antonio Navarro Wolf, AD/M-19 leader and presidential candidate.

Navarro said the fact that AD/M-19 congressmen like Ramiro Lucio Escobar and Carlos Albornoz Guerrero have announced they will leave the party to join other political groups does not worry him because "in political life people come and go."

He said he wants to be Colombian president "not only to win and take power but because we want to do things. It is not absolutely necessary for us to win the Presidency in my name, because at this time it is more important for us to reach specific agreements to create a great multilateral movement that may be an alternative to power. We are working on that, because candidacy is not a problem of names but of beliefs."

"That movement must represent various forces to develop the 1991 Constitution and change the political system," he added.

Navarro admitted that the idea is not now widely accepted. "Nevertheless, we must seek a formula," he said.

Navarro is a sanitary engineer, former presidential candidate, former health minister, and former copresident of the Constituent Assembly. He emerged in the country's political life following his return to civilian society after several years of militancy in the M-19, where he replaced leader Carlos Pizano after his death. Navarro said he would like that political organization to have new and genuine leaders.

He added that the AD/M-19 is not a one leader organization where Navarro is the only outstanding personality. For example, he said, the AD/M-19 has leaders like Barranquilla Mayor Barnardo Hoyos, Senators Vera Grabe and Pedro Bonnet, and Carlos Alonso Lucio, Santa Fe de Bogota candidate for mayor.

In reviewing recent developments in the country, Navarro said on returning from Europe that the situation is very sad. Definitely, he said, "this country moves by political and social convulsions. There was a positive convulsion between 1990 and 1991. This year we are facing a negative convulsion: constitutional counter reform is being discussed, we are witnessing a war between the State and the church for the concordant, and the war against guerrillas and drug traffickers continues. I believe all this is an attempt to vindicate old ideas. To be more specific, it is the vindication of influence peddling [clientelismo]."

Navarro added that although "the 1991 Constitution has been drafted, it is not enough to bring about political change. Although we tried to change the system, it was not possible because during the past elections the government allied with influence peddlers. I feel, however, that a change can be made in 1994."

In Navarro's opinion, the government has not shown a willingness to make the required changes. "Gaviria is not an example of political transformation. That was not his original line. He tried, but he was not willing to fight for change. When things got too difficult, he returned to his original line, forgetting his future."

"I would say that Gaviria got messed up [se jodio] during the 27 October 1991 congressional elections, in which his party and conservatives won the elections with his government's support. They won a Pyrrhic victory, which eliminated any possibility of political renovation."

Although Navarro participated in the current administration as health minister, he said that at this time the AD/M-19 position toward the government is "recognizing the good things and pointing out the bad things but not in the same manner" as when he was part of the bureaucracy.

In evaluating his work in the Health Ministry representing the AD/M-19, Navarro said "in general, we survived the criticism about corruption made against us, as those charges were unfounded. We can explain our actions. The truth is we did not fall for corruption. We were criticized because we appointed personnel who did not have the necessary qualifications. That, however, can be justified, because the government expressly authorized hiring people committed to the process of reincorporation into civilian life."

Ecuador

Credits Received for Private Production Sector

PA1003161693 Quito Voz de los Andes in Spanish 1200 GMT 10 Mar 93

[Text] Acting President Alberto Dahik has announced that the country has received $200 million in credits for the country's private production sectors. The World Bank, the Inter-American Development Bank, and the Andean Development Corporation granted a multisectorial credit to Ecuador.

Leonardo Stasse, president of the National Financial Corporation, said the $200 million will serve to finance medium- and long-term projects for those wishing to invest in the areas of agriculture and export products. The credit will promote the production sector in Ecuador.

Paraguay

Colorado Party Factions Urge Wasmosy To Withdraw

PY1003143793 Lambare Paraguay Radio Cardinal in Spanish 10 Mar 93

[Excerpts] The Diaz de Vivar-Frutos faction last night issued a communique in which it urges Colorado Party hopeful Wasmosy to withdraw his presidential candidacy.

Isidro Melgarejo read the text of the communique, which states:

To urge Wasmosy, the candidate elected by the Party Electoral Court, to withdraw for the sake of the unity of the Colorado Party, because five years [as heard] of Colorado Party tradition must not be destroyed as a result of his candidacy, which is doomed to failure:

To support the candidates for senators, deputies, and departmental board members registered on behalf of the Colorado Party by the Central Electoral Board [JEC], considering the principle of autonomy of the individual candidacies who reasonably respected the results of the elections. The word reasonably is questionable in the case of the Paraguari, San Pedro, and Concepcion Departments. In the other cases, we will support the results of the elections registered with the JEC. We will support the candidates for governors, who, in the opinion of the departmental leaders of the faction, represent the way of thinking and the basic ideas for progress in that zone. That is, we are promoting an opening so that the most appropriate Colorado Party candidate may be elected in the department:

To urge all Colorado Party supporters of the Decision and Courage for Change faction to vote for the true Colorado Party presidential candidate, he who represents the tradition and doctrine of the Colorado Party. [passage omitted]

The Argana movement is demanding the withdrawal of Colorado Party candidate Juan Carlos Wasmosy as a condition to support the Colorado Party electoral campaign. Rumors are circulating on the creation of a new presidential ticket comprising Angel Roberto Seifart and Luis Maria Argana. Wasmosy, the Colorado Party official candidate for the 9 May elections, has rejected this possibility.

Letter Alleges U.S. Approval for 1984 Weapons Sale to Iran

PY1003223193 Asuncion ABC COLOR in Spanish 10 Mar 93 p 13

[Text] A letter sent on 20 March 1984 to General Alejandro Fretes Davalos, former Armed Forces chief of staff, mentions certain aspects of the progress made in negotiations for the sale of weapons to Iran. This letter, which bears no signature—just the letter "G," which is thought to be the initial of the person who wrote the letter to Gen. Fretes Davalos—includes information about the status of negotiations at that time.

In the letter, the sender informs Gen. Fretes Davalos about the latest developments in negotiations. The first paragraph highlights that the documents issued by the Armed Forces chief of staff, "bearing his signature, have been approved by the Department of State."

We must recall that a special bureau within the U.S. Department of State is in charge of giving the green light for the export of U.S. weapons.

The letter in question also points out that "the equipment (the planes) has already been consigned from the United States," although it makes clear that they have not yet arrived in Iran due to the fact that they were delayed before they reached their destination. The letter adds that "they will be given permission to overfly Turkey so that they can arrive at their final destination."

The letter explains that the planes were being inspected at the place where they were delayed (outside the United States) and that delivery of the equipment to the buyer would be made in five shipments.

It adds that "payment of our share will be fully made upon delivery of the first shipment."

The letter further states that Kindrib Ltd. President J.P. Delannes would send him a sample of a third letter, which "should be written on letterhead stationery, acknowledging receipt of the equipment in question and bearing your signature."

To conclude, the letter states that "payment for the second set of documents (for 50 tanks), which I took to Montevideo on my previous journey, will be collected within the next 20 days, after the first operation is concluded."

1989 Israeli Security Equipment Shipment Noted

PY1103001593 Asuncion NOTICIAS in Spanish 7 Mar 93 pp 10, 11

[Text] In 1989, 66 boxes containing "security equipment" from Israel for the Paraguayan Police entered the country through Silvio Pettirossi International Airport. According to a receipt, the boxes, which were shipped by Iberia, were picked up on 1 September from the warehouse of the National Civilian Airports Administration (ANAC).

Taking into consideration the irregularities found in the shipment, through inspection of the documents, everything seems to indicate that the boxes contained weapons than entered the country illegally. In fact, the security equipment should have been addressed to the Military Industries Directorate. One of the documents, however, has the name of a private individual (Juan Zaracho), and the other document simply says "Asuncion Police."

Several questions therefore emerge. If in one of the documents it is indicated that the shipment was made in small packages or hand baggage, of the type handled by the baggage ticket system, how is it possible that security equipment, to be handled under a special cargo system and regulated by specific laws, entered the country is such a manner? Who authorized the purchase of this type of equipment? And above all, why were the boxes handed over under the conditions "to be regulated?" This procedure is illegal, because Law 73 of the Dinac [National Civil Aeronautics Directorate] clearly says that no merhandise can be picked up without paying the appropriate duties.

It is therefore easy to assume that the merchandise was not verified by custom officials.

The destination of the 66 boxes is unknown. Miguel Angel Arevalo (deputy chief of airport security), Enrique Estigarribia (police officer), and Cesar Benitez Caceres (ANAC administrative comptroller) received the boxes. They are obviously some of the key figures in solving this puzzle.

Shipment, Receipt Detailed

PY1103011193 Asuncion NOTICIAS in Spanish 10 Mar 93 pp 12-13

[Text] Celso Benitez, inspection manager at Silvio Pettirossi International Airport, confirmed yesterday that 66 boxes containing weapons had entered the country. He admitted that the Armed Forces Military Industries Directorate did not check the weapons. Benitez, whose signature appears on a brief receipt for the weapons, said that they were not light automatic rifles (FAL) but the powerful Israeli-made Uzi submachine guns.

In an interview with this daily, Benitez confirmed the entry into the country of several dozen military weapons, through Paraguayan Airlines (LAP) from Spain.

Benitez said: "The weapons were not FAL's, but 66 boxes containing Uzi submachine guns. When I refused to have them delivered without an order, an order came from the Customs House. This meant that if did not sign the receipt, I do not know what would have happened. My mistake was to write down a receipt on a piece of paper before the boxes were taken." Benitez, who was visibly nervous, said that the Military Industries Directorate, which is an organization that regulates the import and export of military equipment, did not participate in the delivery of the weapons. He indicated that during the delivery there was an unusual movement of armed men due to rumors of an imminent assault by criminal gangs to take over the weapons.

He added: "It was difficult for the Military Industries Directorate to come (to inspect) because the area here was taken over (by armed men) due to the large quantity of arms arriving. The idea was security. It was not known on which flight the weapons were coming. When an airplane landed, I believe it was LAP, I was told that it was bringing the weapons."

Benitez said: "I asked Colonel Anibal Gomez de la Fuente (Dinac president) for instructions, and he told me that 'as long as there is authorization, there is no reason for us to object to it.'"

Benitez also said: "The 66 boxes were heavy and security was great. There was a large deployment as I believe there was something about an effort to take over the arms. The order was therefore to load the arms directly from the airplane onto the trucks." Benitez also mentioned that in the same year Varig had also delivered "security equipment," but the shipment was made up of signs and helmets for a specialized police unit.

Benitez also denied that arms were being sent to Europe, "because to do that the arms must be kept in the warehouse." He said: "There is no way arms can leave from here unless they are in the warehouse, because they must enter the warehouse for documentation and must leave as export. For this reason it is very difficult."

Benitez admitted that he has a military weapon, loaned to him from an institution which he did not want to identify, "because I have the right not to." He also said he had made a public display of that weapon.

Benitez said he has a permit from the Interior Ministry to carry a firearm, but he did not explain if the permit allowed him to carry a submachine gun.

He said: "I do not own an Uzi, and nobody has given me one as a present. The Uzi I sometimes bring here belongs to an institution, and it is used to protect the money kept here for salaries. The weapon was loaned to me by an individual, and I am responsible for it. I do not have to identify him. I ask authorization from Colonel Gomez de la Fuente before doing anything. I said security is poor, and I need an automatic weapon." He added: "I am responsible for the weapon, and it is my right not to comment on" who had given it to him.

Peru

Congress Denies Human Rights Violations

PY1003150493 Lima EL COMERCIO in Spanish 23 Feb 93 p A1

[Text] The Democratic Constituent Congress [CCD] last night released a statement informing the local and international community that the Peruvian state has not adopted a policy of systematic violations of human rights.

The CCD rejected campaigns that seek to promote a false image of the situation in Peru and promised to responsibly investigate whatever human rights violations have occurred in Peru.

The statement says that the CCD will check, amend, and if necessary repeal any resolutions approved by other authorities, if such resolutions curtail the human rights recognized by the Constitution or by international agreements signed by Peru.

The statement was approved by a full majority of representatives of New Majority-Change 90, the PPC [Popular Christian Party], the Democratic Coordinating Board, Frenatraca [National Front of Workers and Peasants], the Renewal Movement, and Frepap [Peruvian Popular Agrarian Front]. FIM [Independent Front for Moralization] and MDI [Independent Democratic Movement] representatives voted against the statement.

Judge Says Missing Person Reports Exaggerated

PA1003044793 Lima Global de Television Network in Spanish 0000 GMT 10 Mar 93

[Text] After appearing before the congressional commission on human rights, Prosecutor General Blanca Nelida Colan stated that foreign reports exaggerate the number of missing people in Peru.

Regarding the commission's work to guarantee respect for human life, the prosecutor general reported on the implementation of the national registry of detainees and periodic visits to penal and military centers. Colan said she has instructed the prosecutor in San Ignacio to investigate reports of mistreatment lodged by 10 of the area's peasant leaders who were charged with subversion and then acquitted.

She then referred to the repentance law for terrorists and the number of missing people in 1992 through 1993.

[Begin recording] [Colan] Many repentant terrorists are surrendering in Alto Huayaga, but we still do not have a change of identity program.

[Unidentified reporter] [question indistinct]?

[Colan] No, no. It is not failing; there is still no legal mechanism for giving them a new identity.

[Reporter] What happens to a terrorist who turns himself in to a garrison, a parish, or a church and truly wants to turn over a new leaf?

[Colan] The prosecutor decides what happens. The prosecutor takes the person's statement, checks out all the information, and if the person supplied accurate information on terrorist actions, he is then turned over to a judge. The case then goes to a higher court before it is closed.

[Reporter] How many missing people do you have in your registry?

[Colan] Approximately 553 people. [end recording]

State of Emergency Extended in Apurimac Department

PA1103180193 Lima Radio Programas del Peru Network in Spanish 1700 GMT 11 Mar 93

[Text] The state of emergency in Apurimac Department has been extended for an additional 60 days to facilitate operations against terrorism, according to an executive decree issued by the Presidency Ministry and published in the official newspaper EL PERUANO.

The decree states that the Armed Forces will assume control of internal order in Apurimac in accordance with Law 24-150.

Police Arrest 4 MRTA 'Terrorists'

PA1003031893 Madrid EFE in Spanish 1532 GMT 8 Mar 93

[Excerpt] Lima, 8 Mar (EFE)—The Peruvian Government announced on 8 March the arrest of several alleged terrorists in the countryside and the beginning of legal procedures to request extradition of four Peruvian citizens charged with terrorism and for carrying out propaganda activities abroad for the armed groups.

On 7 March antiterrorist police arrested four alleged terrorists of the Tupac Amaru Revolutionary Movement (MRTA), who are charged with the murder of General Enrique Lopez Albujar Trint, former defense minister, on 9 January 1990.

According to police investigations, one of those arrested, identified by the alias of "Comrade Danilo," is the person who fired the shot that killed Gen. Lopez Albujar.

The police stated that the group is allegedly responsible for the murder of mining entrepreneur David Ballon Vera, who was killed on 24 February in Lima after being held hostage for five months.

Various sources have reported that the businessman was unable to pay the ransom asked for.

Police searched a house in Lima's San Martin de Porras district and found, among other documents, a list of businessmen who were apparently going to be kidnapped and held for ransom. [passage omitted]

Government Authorizes Extradition of Terrorism Suspects

PA1103044093 Lima Global de Television Network in Spanish 0000 GMT 11 Mar 93

[Text] The government has authorized extradition procedures against five individuals wanted for terrorism by the Justice Ministry. The rebels are residing in Great Britain, Spain, and Sweden. Peru has requested the extradition of Adolfo Hector Olaechea from Great Britain; Walter Malca Carbajal from Spain; and Delia Carrasco Galdoz, Carlos La Torre Cardenas, and Gisela La Torre Carrasco from Sweden.

Prosecutor Shelves Investigation Into Nov Uprising

PY1003151593 Lima EXPRESO in Spanish 23 Feb 93 p A10

[Excerpt] Some three months after the event, after those responsible have been sentenced to prison by the military courts, Special Prosecutor Flor Mayta Luna yesterday announced that she has decided to shelve the investigation into the alleged involvement of civilians in the frustrated uprising led by retired General Jaime Salinas Sedo and other officers on 13 November 1992.

Prosecutor Mayta Luna, who is still working on at least three other cases, explained that she has decided to shelve the case involving Julio Vera Gutierrez, Julio Cesar Ara Abad, Cesar Jesus [as published], Ricardo Alfredo Ruiz Camino, Ivan Ofevitch, Santos Francisco Alvarez Gallardo, and Faustino Conde Llamoca.

After saying that a final report on her work will be made public in less than 10 days, Mayta said that the documents related to former Senators Maximo San Roman and Alberto Borea Odria, who was granted asylum in Costa Rica, are still being studied and that in both cases the investigation will continue until final conclusions are reached.

Army To Build Airfields, Watch Posts Along Border

PY1003153993 Lima EXPRESO in Spanish 25 Feb 93 p A5

[Article by James Beuzeville]

[Excerpts] Iquitos—Division General Nicolas de Bari Hermoza Rios, Army commander and president of the Armed Forces Joint Command, on 23 and 24 February inspected and evaluated the military garrisons along the Putumayo and Napo Rivers near the Colombian and Ecuadoran borders, respectively. [passage omitted]

General de Bari Hermoza arrived at 1800 at the Curaray garrison, headquarters of the 29th Jungle Infantry Battalion near the Napo River. He announced the construction and enlargement of airfields at all military garrisons and the establishment of new watch posts along the border "to improve control over the movement of people in our border areas and to strengthen national security."

He also said: "Our Army will purchase six patrol boats for surprise operations by the military garrisons along the border."

Communist Party Member Espinoza To Resign

PY1003165193 Lima EL COMERCIO in Spanish 23 Feb 93 p A4

[Text] The wave of perestroyka stemming from Moscow has placed the Peruvian Communist Party [PCP] on the verge of extinction and off the Kremlin's international list.

The local struggle for power has lost importance and the disintegration of its leadership and grassroots has gone almost unnoticed.

Certain old leaders who stay or leave the party are in the news from time to time, like the case of Gustavo Espinoza Montesinos. He has announced his decision to resign as a member of the PCP Central Committee because of "irresolvable disagreements."

Espinoza did not say if he is leaving the party because he unsuccessfully sought to democratize and free it or because he wanted to maintain the Marxist-Leninist line that has lost credibility worldwide.

Will the "Ideological and Programmatic Conference" that has been announced on many occasions ever take place?

Commentary Criticizes U.S. on Support Group

PY1003164993 Lima EXPRESO in Spanish 24 Feb 93 p A2

[Commentary by Manuel D'Ornellas: "Our 'Friends' in Washington"]

[Text] Today is 24 February and we have not rejoined the international financial community. Last-minute reluctance on the part of the new U.S. Government of President Clinton has prevented the creation of the Support Group, which was to have loaned Peru the $410 million needed to fulfill the IMF program.

No agreement will be reached with the IMF because of the people surrounding the brand new U.S. President, who apparently takes advise from obsolete advisers of the Jimmy Carter era and listens to Peruvians who hang out in Washington while waiving the flag of democracy.

This is a political setback for the Fujimori government, whose ministers—led by the prime minister—announced that our country would return today to financial respectability. The situation has also placed the Japanese Government in an uncomfortable position because, as far as is known, this country remains willing to jointly lead the Support Group with the United States. It also means an embarrassing precedent for the IMF, which cannot properly reward its most hardworking pupil—Fujimori's Peru—after the IMF's most important member illogically gave priority to political rather than economic matters.

Strictly speaking, the attitude of the Clinton administration predicts difficult times for all Latin American countries. For example: Will the U.S. Government attach more importance to human rights violations in Mexico—instead of considering this country's economic achievements—when the time comes to decide whether to set in motion the NAFTA [North American Free Trade Agreement) with Canada?

"Amateurs" bring fair play to sports, but in the international policy are. hey merely cause a series of problems

and conflicts. We saw this happening during the time of Carter. Apparently, and lamentably, we will see it again. When dealing with the professionals who advised Reagan and Bush, one at least knew what language was being spoken.

Common sense is likely to prevail, however, and the United States is likely to approve the Support Group. This will clear the way toward agreement with the IMF. Yet we have already been warned that the Clinton administration views the taping of a conversation between Shining Path leader Abimael Guzman and an International Red Cross doctor—which negatively violated unclear rules of the institution—to be more important than the positive fact that the Peruvian people have stoically endured an economic stabilization program for more than two years and that they have supported a government that has implemented a relatively successful program.

With friends like these, who needs enemies?

Government, U.S. Position on Coca Problem Viewed

PY1003182093 Lima EXPRESO in Spanish 22 Feb 93 pp A8, A9

[Article by Luis Guillermo Novoa Soto]

[Excerpt] [passage omitted] One must try to understand the position of American intellectuals and government officials over the coca issue in Peru. Some contend that it should be solved by simple eradication, like in Vietnam—spraying coca crops with herbicides from planes. The use of products such as tebuthiuron (Spike), which is produced by the Lilly Company, and triclopyr, produced by Dow Chemical Inc., is a well-proven way to kill coca crops.

Former U.S. Attorney General Edwin Meese and Mrs. Wrobleski, his adviser for alternative cultures, strongly advocated the use of these products. The Peruvian Government and the DEA tested them on 40 hectares in Tingo Maria in 1986.

The project failed because of the great stir caused by use of Spike—so much so that even the companies that produced the herbicides opposed their use. Peruvian businessmen and their foreign partners withdrew from the negotiating table in 1987, which sparked former President Garcia's enmity toward them. The expropriation of banks was the next chapter in this troubled relationship that lasted until the end of Garcia's term.

Peruvians often adopt a clear stance against pure interdiction, but they are vague over alternatives.

The "Fujimori Doctrine" embodies this idea. He elaborates that coca growers should not be considered criminals, rather offered an "alternative development" program.

This is precisely where inconsistencies occur. No conscientious work has so far been produced to offer a specific alternative plan. Moreover, the concept of crop substitution in a restricted sense is somewhat trite in the eyes of coca growers, who chuckle whenever crop substitution programs are mentioned.

We have always stated in EXPRESO that the alternative development program is a viable solution to the problem of coca, but it should not be considered in a restricted sense—meaning substituting coca for another crop in the jungle—but it should involve the substitution of coca cultivation for other economic activities on the highlands and along the coast. This would enable coca growers—seasonal workers who have migrated to the Huallaga region—to remain in the highlands, as there are no other jobs for all those who migrated, lured by the coca-rush of the last few years.

Negotiations between the Clinton administration and the Peruvian Government should concentrate on the point discussed above. Within this context—together with the much-needed struggle against subversion—both administrations should discuss the essential policy of absolute respect for human rights.

This is of utmost importance, as it was the majority of Democrats in Congress who—on the advice of their experts in the Pentagon, the Department of Justice, and even the Department of State—refused to cooperate with Peru, blocking the aid that both the Reagan and Bush administrations proposed.

What is worrisome, however, is that the Peruvian Government, for all its talk about the "Fujimori Doctrine," does not have any concrete proposals for crop substitution or even an alternative plan that will enable—in the foreseeable future—the eradication of coca cultivation without bringing about a total collapse of the country's economy.

FAP [Peruvian Air Force] General Arnaldo Velarde is the Peruvian Government representative in the current negotiations with the United States. Even though he is the Peruvian representative before the UN Commission on Narcotic Drugs and the OAS Inter-American Drug Abuse Control Commission, he does not seem to have a viable official project to offer his meticulous and strict interlocutors—U.S. senators of the Democratic Party, which is now in office.

The work of the Peruvian representative must be urgently reinforced and further encouraged through new proposals, now that those advanced by the ILD [Freedom and Democracy Institute] have failed to materialize in concrete projects.

The negotiation of a new agreement with the United State, which is to be signed this year, is of momentous importance. It is precisely to facilitate these negotiations that EXPRESO deemed it necessary to discuss the problem of coca, which is still somehow covered by vague reports that do not reflect a pragmatic and truthful approach.

Economy Minister Concludes Visit to Japan

PA1003193493 Lima Radio Programas del Peru Network in Spanish 1700 GMT 10 Mar 93

[Text] Economy Minister Jorge Camet concluded his five-day visit to Japan, where he met with financial leaders to organize the Second Support Group and the payment of an $800 million private debt. Before ending his visit, Camet reported that he was satisfied with the results of his tour in the United States and Japan, where he received praise for the government's administration, although no specific promises of disbursements were made. The economy minister continued on his trip to the United States, while his main adviser, Roberto Abusada, remained in Tokyo negotiating the Second Support Group for Peru.

EEC Decides To Normalize Cooperation With Government

PY1003152593 Lima EXPRESO in Spanish 25 Feb 93 p A5

[Text] The EEC has decided to normalize its cooperation with Peru which was suspended following the events of 5 April [date of self-inflicted coup by President Fujimori] and to authorize the participation of its members who are interested in participating in the second Support Group.

This decision was made during the recent meeting in Brussels by the EC Latin American Cooperation Group, which was formed to study the Peruvian situation following the municipal elections.

The conclusions were favorable and the green light was given for Peru to sign the framework of a cooperation agreement between the EEC and the Andean Group.

The EC members released a declaration saying that the constituent and municipal elections were important steps in the reestablishment of the democratic system in Peru.

The EC members also expressed their hope that the new Constitution will establish democratic principles for the separation of powers together with strict respect for human rights and basic freedoms.

Uruguay

Ruling Blanco Party 'Crisis,' Resignations Viewed

PY1003182493 Montevideo Radio El Espectador Network in Spanish 1600 GMT 10 Mar 93

[Unattributed commentary]

[Excerpts] [passage indistinct] ... of the Blanco Party in the government, concluded with a decision by the National Rocha Movement [MNR] and by Renewal and Victory [RV] to leave the ministerial cabinet.

During a meeting held last night by President Luis Alberto Lacalle, Vice President Gonzalo Aguirre, and Senator Carlos Julio Pereyra, the latter handed the president the resignation of Transport Minister Wilson Elso Goni. [passage omitted]

The Blanco Party executive board is now meeting at the party headquarters in an effort to arrange a mediation to avoid leaving the Herreraist faction totally alone in the government.

Housing Under Secretary Julio Bu[illegible]no, who is another MNR leader, will resign in the next few hours. Vice President Gonzalo Aguirre decided to do the same, handing President Lacalle the resignation of RV members from the posts they hold within the government.

This crisis within the government party could have other consequences: It was leaked today that UCB [Colorado and Batlleist Union] ministers could also resign. The decision will be made by Senator Jorge Pacheco Areco, the UCB leader. Some UCB members have repeatedly demanded the resignation of the ministers of tourism and industry.

Deputy Amorin Supparo and Senator Raumar Jude have for a long time demanded a complete break with the Blanco Government. This possibility has become stronger because the Herreraist faction is now the only Blanco Party representative in the government.

El Espectador has learned that President Lacalle has designated Interior Minister Juan Andres Ramirez to begin negotiations with MNR leader Pereyra and Vice President Gonzalo Aguirre Ramirez in an effort to keep them within the government. [passage omitted]

Vice President Gonzalo Aguirre, who avoided talking to reporters upon leaving the presidential residence, at Suarez y Reyes Avenue last night, has not yet made any public statement on this situation. [passage omitted]

The RV this morning released a communique that states that as of now, the RV may no longer support government policies. The RV also considers itself totally free to voice its opinions on future salary decisions.

Herewith the text of the communique: [passage indistinct]

In the face of this, the RV has offered the president of the Republic the resignation of its members from the posts they hold within the executive branch. The president, however, is free to keep Dr. Sergio Abreu at the Foreign Ministry, who was designated because of his remarkable qualifications for the post and not because of political conditions. The RV welcomed the designation of Sergio Abreu.

[Passage indistinct] Consequently, it is clear that this decision will not change our support for the general guidelines of the Blanco Government, among which we highlight the opening of the economy, Uruguay's joining Mercosur [Common Market of the South], the farm policy, the fight against inflation and tax evasion, and above all, the government's modern and clear concept of the new role of the state in a modern society.

All this will change neither our political relations with the government nor the responsibilities of Vice President Gonzalo Aguirre with the Blanco Party government. Montevideo 10 March 1993.

Venezuela

Student's Death Causes Third Day of Protests

PA1003165293 Paris AFP in Spanish 1548 GMT 10 Mar 93

[Text] Caracas, 10 Mar (AFP)—The death of a student injured on 9 March by a tear gas bomb in Los Teques, 20 km south of Caracas, caused a third day of violent protests in Caracas and Barquisimeto, 260 km southwest of the capital city, according to reporters.

As of noon on 10 March, police and students are continuing to clash in various parts of Caracas, where traffic was seriously affected by these actions and the barricades set up by the rioters.

Police and students clashed on the morning of 10 March in Barquisimeto when violence started during a transportation strike for higher rates. University students seized a gas truck to support a student who on 9 March set fire to a public transportation bus.

In Los Teques, there was a massive rally of high school and university students after it was announced that student Darwin Jose Morales died of a fractured skull. Morales, 19, was injured on 9 March when a tear gas bomb caused him to fall down steps. Heli Saul Montiel, local police chief, insisted the young man was not a student and that he died of injuries inflicted by rocks thrown by the demonstrators, a version the students flatly rejected.

Student spokesmen said the violent police repression against the youths is one of the reasons for the student protests, while the press emphasized charges against police abuses. On 10 March, Venezuelan reporters recalled the death of Maria Veronica Tecsari, a young television reporter, who died from serious complications following skull surgery. Tecsari's skull was fractured by a tear gas bomb thrown by the police.

There is a controversy over the growing incursions by people who cover their faces with hoods and encourage riots. While the government accuses leftist groups of promoting the actions of the hooded ones, opposition analysts and Congress members say government agents are infiltrating the protest demonstrations to generate more violence and justify the harsh police repression.

On 9 March, another student received a bullet wound in Caracas, while six students were injured by bird shot fired by the riot police in Los Teques.

One businessman was killed by a stray bullet and 10 students were injured on 8 March during disturbances at the Central University of Venezuela in Caracas.

Perez on Privatizing 'Nonstrategic Enterprises'

PA1103033693 Caracas Venezolana de Television Network in Spanish 2350 GMT 10 Mar 93

[Text] President Carlos Andres Perez has said the state should get rid of nonstrategic enterprises because they can be managed better by the private sector. Perez spoke during the closing of the First Forum on Venezuelan Telecommunications Achievements and Outlook, held on 10 March and attended by the most highly qualified telecommunications experts. He said the event faithfully mirrors the new country. Perez referred specifically to the National Telephone Company of Venezuela and said privatization of the telephone company resulted in a change in the state's approach to telecommunications.

[Begin Perez recording] I believe the state should own and run strategic enterprises for many years. In countries like Venezuela it is essential to protect national property and guarantee the use of large strategic enterprises for the country's good. We cannot imagine the oil industry in private hands, which would of necessity be foreign because local capital cannot handle such an enterprise. We have shown that the state can, responsibly and whenever it is fully justified, run large corporations efficiently, just like the private sector. The state can run those enterprises, with the result of all profits remaining in the country. [end recording]

Government, Russia Agree To Deliver Oil to Cuba

PA1103145293 Havana Radio Havana Cuba in Spanish 0000 GMT 11 Mar 93

[Text] On 10 March in Caracas, Venezuela and Russia signed an energy cooperation agreement. The document opens the possibility of resuming trilateral trade whereby Cuba can receive crude oil.

Gonzalo Castillo, one of the Venezuelan officials who participated in signing the agreement, told the media that Caracas would deliver oil to Cuba and Moscow would store oil in Germany, where Venezuela owns refineries and corporations.

Castillo said one of the purposes of the Russian-Venezuelan agreement is to resume trade with Cuba, which formerly participated in a similar agreement.